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NEWS SUMMARY

GENERAL

Armed police in Madrid demo

Troops and the paramilitary Guardia Civil were confined to barracks in the Madrid region yesterday after an unprecedented demonstration in the Spanish capital by hundreds of police and mounting tension over the kidnapping of Sr. Antonio Oriol, president of the council of State.

The Army acted as a precautionary measure when armed police wearing civilian clothes marched from a meeting outside the Royal Palace to the Ministry of the Interior where they were confronted by heavily armed riot squads.

The demonstrators are asking for substantial pay rises, better working conditions, the lifting of disciplinary action against Sr. Oriol's bodyguards, and the resignation of Sr. Martin Villa, Interior Minister. Details and Man of the Week, Back Page.

Rhodesian troops claim 51 dead

A 19-year-old white Rhodesian soldier and 51 black nationalist guerrillas died in a day-long Rhodesian raid near the border city of Umtali, according to a Salisbury communiqué. Rhodesian troops, assisted by air strikes, were reported to have engaged guerrillas inside Mozambique. Page 9

Bukovsky to be freed in swap

Vladimir Bukovsky, 34, possibly the Soviet Union's most celebrated political prisoner, is to be allowed to leave the Soviet Union today in exchange for the release of the Chilean Communist leader, Luis Corvalan. He is expected to fly to Geneva with his family. Page 9

500 troops to leave Ulster

Five hundred troops who are no longer required for operational duties, are to be withdrawn from Ulster, leaving 14,000 there. Mr. Roy Mason, Northern Ireland Secretary, told the Commons. Page 15

Britain swept by snow and sleet

Snow and sleet swept across most of Britain yesterday bringing what the RAC described as "atrocious" driving conditions. Worst areas were in the north of England. Heavy snow blocked roads in Derbyshire and blizzard conditions were reported in Oxfordshire. Heavy snow was reported on the M1 in Bedfordshire and there was snow in London.

Scotch pirates

Investigations by Johnnie Walker, a subsidiary of Distillers, into the activities of Continental traders in "pirate" Scotch have uncovered a vast international infringement of copyright," a High Court judge was told. Page 9

Bread protest

Thousands of housewives in London and South-East England will be affected today by an unofficial protest stoppage by delivery drivers. Page 11

Briefly . . .

An eighth man will appear at London's Bow Street Court to-day on charges connected with alleged frauds involving more than £1m. Page 9

Three Essex police officers who were suspended on full pay after allegations of sexual assault at a promotion party have been reinstated.

A delegation from the National Union of Mineworkers visited the Bolivian ambassador in London yesterday to protest at the treatment of tin miners in Bolivia.

An American woman was fined £1,000 with £300 costs at Aylesbury yesterday after admitting breaking anti-rabies regulations. Page 15

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES	
Treasury Sips 80s-1...£11 + 1	
Treasury 15pc '98...£101 + 14	
Barclays Bank 220 + 12	
Co-operative 380 + 12	
Courtaulds 84 + 5	
Distillers 121 + 8	
Dunlop 74 + 5	
EMI 222 + 10	
FMC 45 + 5	
GEC 167 + 7	
Glaxo 398 + 11	
Gr. Portland Estates 210 + 8	
GUS A 163 + 5	
GVA 272 + 10	
Guinness (A.) 125 + 7	
Hall (Matthew) 90 + 5	
Hammerton A 288 + 16	
Jardine Matheson 320 + 13	
Ladbroke 97 + 4	
Land Se. 134 + 5	
Lucas Inds. 197 + 7	
Mothercare 198 + 12	
Stock Conversion 138 + 12	
Thomson 388 + 12	
Titan Inv. 222 + 10	
Unilever 116 + 12	
Vickers 140 + 6	
Zepil Carb. A 51 + 5	
falls	
ICI 283 + 11	
Shell Transport 440 + 11	
LSMO/SCOT Ops 283 + 11	
BP 578 + 32	
Charter Cons. 127 + 7	
Beers Distd. 183 + 6	
MUM 219 + 8	
RTZ 178 + 7	
St. Piran 37 + 5	
Thios Holdings 184 + 8	

BUSINESS

Equities up 16.8%; gilts recover

Saudis firm on 5% oil price rise limit

BY RICHARD JOHNS: DOHA, QATAR, Dec. 17

THE outlook for oil prices is uncertain after the refusal by Saudi Arabia—the world's largest oil exporter—to agree to a 10 per cent price increase. Eleven of the 13 members of the Organisation of Petroleum Exporting Countries meeting here decided early this morning to raise prices by 10 per cent. on January 1, and another 5 per cent. in mid-1977.

Saudi Arabia—with the United Arab Emirates—is determined to limit the increment to 5 per cent. for the whole of 1977. The Saudis therefore are removing the ceiling on their oil production rates in an attempt to force the price down by the sheer volume of oil they place on the market. Saudi Arabia and the Emirates between them account for about 30 per cent. of total OPEC production.

The 48th OPEC Ministerial conference ended to-day in bewilderment rather than confusion. Ministers and delegates, who seemed almost numb with shock, were uncertain just how the Saudi and Emirates' action would affect global markets and price structures.

Nevertheless, OPEC has emerged intact from the biggest crisis in its 15-year history, and Sheikh Ahmed Zaki Yamani, Saudi Minister of Oil, was the first to say that anyone who relished the prospect of its destruction was deluding himself.

Sheikh Yamani made it clear that the commitment to do away with the present upper limit on output of 8.5m. barrels a day pansion plans, he told other members of Opec that "def-

initely" added: "This is for the time being only."

He indicated that in the capacity," he said.

At the same time, Saudi production would be allowed to rise to the maximum possible—undefined but potentially with an installed capacity of heavy—so continued underwriting 18.5m. b/d. This represents 30 tonn.

Asked if any commitments or promises had been made in return, he said: "I want you to know that we expect the West to appreciate what

we did, especially the US. That appreciation has to be shown on two fronts: first, the North-South dialogue in Paris, and second, the Arab-Israel conflict. There must be peace in that region as a sign of appreciation."

The Saudi Oil Minister declined to be specific or set a time schedule for progress on either front. He explained that the main preoccupation was with the economic health of the world as a whole. As for the Middle East conflict, he said: "The Geneva conference, or any other conference, is a means not an end. The end is peace."

He added: "We are noticing encouraging signs."

The final ministerial session of the Conference on International Economic Co-operation between the industrialised countries and the developing nations is set for the spring. In line with other oil producers, Saudi Arabia is seeking concessions for the third world in the relief of debt and the improvement of export earnings, as well as—of particular importance to the kingdom and other oil states—guarantees about financial assets.

Sheikh Yamani returned here late last night after his flying visit to Jeddah for consultations with his Government. The Government authorised him to agree upon an oil price increase by members of 5 per cent.

Previously, Saudi Arabia had

Continued on Back Page

World reaction to Opec Page 16

OPEC conference feature

Page 10

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Retail prices rising faster at 15% annual rate

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT'S gloomy view of the outlook for inflation next year was underlined yesterday by the announcement of a 1.4 per cent. rise in the cost of living last month with further large price rises in the pipeline early next year.

The year-on-year rate of inflation increased for the fourth month running with a rise in the retail price index in the last two months of 1.8 per cent. to 165.8 (January 1974=100).

This rate of rise is identical with the increase projected for the year to the fourth quarter of 1977 by the Treasury in its latest forecasts, even though it expects the current rate of rise then (and hence the prospects for 1978) to be "very substantially" below 1.5 per cent.

This suggests a probable rise in the year-on-year rate of increase over the next few months as the impact of the fall in the price of stocks. This follows a sharp recovery in trading profits towards the end of last year. Back Page

● SCOTTISH trade unionists want most of the 22 ships being ordered by Poland to be built in Scottish yards. Page 9

● BRITAIN has 1.5m. workers in jobs that are unnecessary, according to Sir Monty Flumon, former chairman of British Steel. The steel and car industries are "notoriously over-manned," he said. Page 15

● SAAB-SCANIA of Sweden will cut car production by 12 per cent. in the first half of next year because it expects demand to be weak, especially in export markets. Volvo also announced production cuts last week. Page 9

● CAVENHAM made pre-tax profit of £22.7m. (£19.9m.) in the 32 weeks to November 13. Lex and Lex

● WILKINSON MATCH pre-tax profit rose to £6.03m. (£4.8m.) in the first half. Page 12 and Lex

● REED INTERNATIONAL has asked its auditors, Charnass Coopers, to resign and proposes to appoint Price Waterhouse in their place. Page 15

seasonal food (over a six month period and expressed at an annual rate) to 14.2 per cent. last month, the third month running. It had been above the previous 1976 range of 12.4 to 13.1 per cent.

The Department of Employment's detailed breakdown shows that the largest rise last month came from seasonal food, up 4.8 per cent. while higher food prices generally are seen officially as accounting for about a third of the overall rise in the RPI.

The increases included fresh fruit and vegetables, tea and coffee, and among the non-food items, there were increases in motor fuel costs, average charges for gas, tobacco prices and meals in restaurants. The price of Christmas trees also rose.

Among the rises expected to affect the index in the coming months are the recent increase in the mortgage rate, as well as price increases for beer, bus fares, eggs, bread, butter, cheese, flour, milk and petrol.

The measures announced on Wednesday by Mr. Denis Healey, the Chancellor, are expected to July.

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RPI by the end of 1977.

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Intervention in France

BY ROBERT MAUTHNER

FOR ALL INTENTS and purposes, France is already in the both M. Francois Michelini, who thick of an election campaign, controlled Citroen, and though the general election is Peugeot chairman, M. Francois still some 15 months ahead. And, Gaufrier. The aim of strengthening, as usual, both the political and economic issues are being presented to the public in a grossly less well than the motor-car over-simplified form, in spite of the very attempts of all the acceptable from the point of view of national interest. But wide cross-section of opinion, the fact remains that it was a The voters, or in many state imposed solution.

In the computer field, it was the Government which obliged the ailing French CII company to link up with Honeywell-Bull, thus allowing the French to take advantage of advanced American technology, while maintaining financial control, in spite of the cooperation of many in the private sector and an all-encompassing state whose tentacles will progressively strangle private enterprise.

No-one, of course, would deny that there are some very fundamental differences between the programme of the left, which foresees the nationalisation of most of France's major companies and that of the present coalition parties which support a capitalist system. What is not fully realised, however, is the increasing extent to which the present Government, theoretically the proponent of an advanced liberal society, is already interfering in the private sector.

The Government has also played a leading role in the restructuring of the nuclear industry, with the State Atomic Energy Commission taking a substantial stake in the capital of the Creusot-Lorraine nuclear subsidiary, Framatome, and in the reorganisation of the telephone industry. It virtually obliged ITC and the Swedish Ericsson company to sell their subsidiaries in France to the French Thomson Group in return for massive Government orders for their new telephone exchanges.

Imposed

Though dirigisme has always been an important force in French economic life, the Government has never intervened as often or as directly in industry as during the 30-month period since President Giscard d'Estaing's election.

In many cases, no doubt, the economic crisis forced it to take action to prevent major French companies from going out of existence and to keep rapidly rising unemployment within manageable proportions. But Government intervention has only in rare instances been confined to financial aid only. On most occasions, it has taken the opportunity of imposing a solution which, though tailored to France's overall industrial strategy, did not always meet with the approval of the private interests involved.

The examples are legion. When the authorities were called into find a solution to the serious financial difficulties of the Citroen motor-car company, a reluctant Peugeot was persuaded to take over its rival in return for a substantial Government loan. At the same time, however, Citroen's former subsidiary, Berliet, was taken over by a joint company with Saviem, the state-owned Renault's truck subsidiary.

Shrinking

Indeed, the list of major industrial sectors in which the state is not present in one form

or another, or has exercised an overriding influence, is shrinking rapidly. And there is more to come in the near future. The crisis-ridden steel industry, which is already so heavily dependent on Government financial aid that it cannot in all honesty be classified any longer as part of the private sector, is more than ripe for a Government restructuring plan.

While it is true that the authorities still shy away from taking major financial stakes in private companies and that their main aim is to create French technological progress, it may well be asked whether the present trend towards more and more Government intervention can be halted in mid-stream.

For the moment, the distinction between President Giscard's liberal interventionism and the left's programme of nationalisation is being maintained, but the dividing line is much thinner than is often claimed.

RACING

BY DOMINIC WIGAN

Fair chance to score treble for trainer-jockey team

PROVIDED that conditions have not deteriorated overnight, racing should be possible at both Folkestone and Warwick today. The southern track reports heavy rain around the hurdles course with the chase course riding first; while at Warwick, where

is a Racers Club Concessions day programme, the going is extremely testing.

Two men who will be particularly keen for the go-ahead to be given for Folkestone are the Bury St. Edmund's trainer David Morley and his jockey Bob Davies, who six years ago married Terry Biddlecombe's sister, Susan.

They hold better than fair prospects of a treble through Scori, Near and Far and Hot Hand.

The first from this trio to take the field is the lightly raced Scori, among the runners for the opener, Division One of the Hawkers Novices' Hurdle.

Unplaced at Newbury seven weeks ago on his seasonal debut, he is well and Lingfield last term was always at his best on a yielding surface, and he came as no surprise when he struck winning post in the Fakenham mud 10 days ago.

Clear of his four opponents

Straight Fair, Ormonde Tudor, Mexican Frolic and Yogi three fences from home on the Norfolk

course. Near and Far came home at his leisure, beating Straight Fair, to whom he was conceding 4 lbs., by seven lengths, with the remaining trio well split up.

I expect to see Near and Far follow up at the chief expense of the likely favourite, Top Priority, who has yet to find his best form this season.

Hoi Hand, Morley's third and last runner here, will not find matters all his own way in the Second Division of the Hawkers Novices' Hurdle, for Genovese and Viking Spirit are among his 18 opponents. Nevertheless he has shown enough on his two previous efforts over the minor obstacles to suggest that this event could well be within his compass.

The reigning champion hurdler, Night Nurse, who was deprived of a run at Ascot on Saturday, will be out over the Champion Hurdle for either the William Hill Christmas Hurdle on Kempton Day at Kempton or Windsor's New Year's Day Hurdle.

If Night Nurse goes to Kempton he will again meet Birds Nest, who proved much too good for him in the fighting fifth hurdle at Newcastle towards the end of last month.

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Near and Far, a chestnut gelding who won at Fontenay-le-Comte last year, will be at his best on a yielding surface, and he came as no sur-

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LOYD'S Bank launched unit trust back in 1966, major step for a clear-

to abandon its tradition of trustee and move into competition with what is now called the "Independent" units. Its unit trusts and its insurance services, other clearing banks and Slater Walker. So bear the vestiges of former reluctance to go easy on the their own products. For example, it was interesting this week whether stickers were even arguing that the trust should be anchored windows. It was launched last July amounts to only £2m so far at a time when high income trusts have been making all the running. Apparently the reason is that a lot of trusts from other groups are recommended as well as the National and Commercial Banking group. The whether it actually is any help to Scotland and to the customer.

C.H.

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Williams and Glyn's) dropped its connection with Tyndall which had hitherto done the administration and registration work for these trusts. The banks have also become a lot less diffident about the investment management capability (they pay well for the right people nowadays), and while their performance has not set the world alight, it has not been bad either. They also now have the capability to advise on all sorts of other investment matters.

But whereas Barclays has been the trail-blazers with its aggressive marketing of both now called the "Independent" units, its unit trusts and its insurance services, other clearing banks and Slater Walker. So bear the vestiges of former reluctance to go easy on the their own products. For example, it was interesting this week whether stickers were even arguing that the trust should be anchored windows. It was launched last July amounts to only £2m so far at a time when high income trusts have been making all the running. Apparently the reason is that a lot of trusts from other groups are recommended as well as the National and Commercial Banking group. The whether it actually is any help to Scotland and to the customer.

C.H.

EVEN FOR PEOPLE to whom M3 sounds like a motorway, the economic package this week seemed harsh enough and they must have found it surprising that both the stock market and sterling failed to respond positively for what the experts had been crying out for. How-

ever, it is fair to say although people envisage and that interest rates will come down because measures were inadequate and that—at least in the short-term—the scope for a reduction in interest rates was limited, the majority view seems to be in that a lot will happen on a gradual restoration of confidence. Judging from past experience there is plenty of room for accidents here. At first but could accelerate later. The official projection for inflation for calendar 1977 is also fairly cautious at 15 per cent, but it is also forecasting

that the rise in RPI during 1978 should be "very substantial" below this figure."

At least part of the reasoning in favour of lower interest rates next year so far as the more conservative forecasters are concerned is that the recession

will be greater than most people who have scored and that interest rates will come down because no one will want to borrow any money. But, with bank "corset" on and the need to protect sterling taking priority, it is thought that a lot will be maintained if interest rates are maintained at or near a peak—remembering that once rates are seen to fall the trend tends to gather momentum as investors adjust their sights. Predictions of gradual movements are natural enough but have not been typical of recent volatile conditions.

It is not surprising that over the past year or so the pessimists have tended to be mainly right in their judgements of U.K. trends and that the optimists have been doomed to失望. Certainly, the current picture is that anyone who put his money on U.K. equities over the past year has lost, while it has been true that in the past that savings ratios have tended to rise during recessions as people become more cautious, this has not yet been tested during a prolonged period of pay restraint. It made chilling reading this week to hear that a further two years of restraint is envisaged—from that standstill at least—at a time when prices are rising and unavoidable expenditure rising on rates and mortgages is taking its toll on investors' savings ability.

While it is true that National Savings is still doing well (despite the state of Christmas withdrawals) building societies

are in a fix and it is noticeable that regular premium business in unit-linked life assurance has not been doing so well as single premium business. One more

equity

is to react too soon. The next flotation of the building societies it would be a brave investor

who said that he could get any better anywhere else. And if rates will fall over the next 6 months and the chances are that this will be the case—it tax-free which all amounts to a

makes sense for investors to good two-way bet.

Adjusting sights on rates

BY CHRISTOPHER HILL

think about the high rates on long gilt and local authority loans. Here the negotiable lending bonds are offered at almost 14 per cent gross and longer deposits around 15 per cent gross per annum. With gilts being all the rage for fund managers, one cannot help feeling suspicious about prospects in this sector, but this time they are probably

so close to the last one might really bite into the average ability to save from income, but this time they are probably

At the moment it is touch and go whether the building societies will decide on a further increase in mortgage rates, but after the growth (possibly) might well Chancellor's predictions on the look at the income trusts, for lowering of interest rates—it many of the most respectable looks less likely than it did be again offering yields of well over 10 per cent. At one time I thought the building societies were right to be worried about lowering their rates proposition but nowadays income trusts are easily obtainable from it and the doves of the industry quality stocks. Also one should try are now saying that in a volatile situation it is better not to react too soon. The next flotation of the building societies it would be a brave investor who said that he could get any better anywhere else. And if rates will fall over the next 6 months and the chances are that this will be the case—it tax-free which all amounts to a makes sense for investors to good two-way bet.

Overhauling pension plans

THE SELF-EMPLOYED pension market appears to be particularly buoyant this year, at least that is the impression from the life companies. Standard Life, which ended its accounting year on November 15, wrote double the normal number of policies and a phone round of some other leading companies reveals a tremendous upsurge in this business.

We have written several times on these contracts as being the most tax efficient method of saving for retirement and have tried to keep readers informed of latest developments.

The Government this year increased the contribution limits on these contracts. But the impetus to this boom came from the brokers—when the new commission agreement greatly increased the amount of commission paid on regular premium self-employed pension contracts. When it became worth while, they went out and sold pension business.

The companies, in general, have made little attempt to package these contracts, or to have done much market research as to the requirements of the self-employed. Therefore, I was interested in some new developments in this area, which indicate that more is now being done to meet consumer requirements.

Some companies, notably Phoenix, and now the Scottish Widows, have offered lump sum temporary assurance to meet this death provision. But a young widow with children needs income much more than a capital sum, so Scottish Life has provided a family income option on its self-employed pension contract.

The investor could always take out a separate family income policy, or a term assurance contract. But then he

only gets life assurance tax relief—at present 17½ per cent of the premium. If the life company arranges this cover as part of the pension package, the person would like to build up his pension gradually as his earnings diminish with less activity in the business. But under the present set-up, the individual can only do this if he has taken out several different policies that can be used at various times.

The Scottish Amicable has introduced its FlexiPension plan which simply writes each contract in units of £50 annual premium.

The investor can draw on as many units as he likes when he likes within the terms of the contract, thus providing complete flexibility on the timing of retirement. A simple idea, but one that no one seems to have thought of before.

Scottish Life on the other hand, while completely overhauling its pension products, has looked at the benefits provided if the investor dies before he retires. The usual benefit is to return the premiums paid either with or without interest.

This is not going to provide much to dependants if death occurs after one or two premiums have been paid.

Some companies, notably Phoenix, and now the Scottish Widows, have offered lump sum temporary assurance to meet this death provision. But a young widow with children needs income much more than a capital sum, so Scottish Life has provided a family income option on its self-employed pension contract.

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only gets life assurance tax relief—at present 17½ per cent of the premium. If the life company arranges this cover as part of the pension package, the investor gets tax relief at his top rate, exactly the same as the relief on the contributions to the pension. Of course, the life cover premiums count towards the overall limit of 15 per cent of earnings up to £2,500. But for young lives, the cost is minimal and investors should not go for maximum pension at the expense of inadequate protection for his family.

Finally, one of the more recently established life companies, Hill Samuel Life, has entered this market for the first time with its Personal Retirement Plan. This company has been quietly acquiring a steady investment reputation with its funds and this new contract should be of interest to the self-employed who are willing to use unit-linked investment for their pension provision.

Hill Samuel offers the investor two funds in which to take units—the Pensions Managed Fund and the Pensions Guaranteed Fund, with the opportunity to switch. The more adventurous investor can use the managed fund, with its mix of equities, property and fixed-interest until he is approaching retirement and then switch to the guarantee fund. This is essentially a money fund and the company guarantees that the unit price will not fall. Thus, other self-employed, who cannot vary the time of retirement to any degree, can arrange well in advance that their pension will not be depressed because of adverse market conditions when they retire. This feature overcomes linked pension contracts.

The investor could always take out a separate family income policy, or a term assurance contract. But then he



Bill Proudfoot, general manager, Scottish Amicable.

Bonus pointers

TWO SWALLOWS do not make behind the event, so that a summer, but they give some announcements were being indication of what is coming—made when the market was that is unless they are flying in opposite directions. The life companies this year will company bonus season for 1977 indicate that they are not will soon be upon us and we going to get caught like that have had two life companies again or that the field staff have giving advance notice of the won the day in insisting that rates for 1977, one good, the bonuses are not cut on traditional business.

The Provident Life Association of London, always first in the field with its bonus announcement, has lifted its reversionary rate on its new series from 4.00 per cent, compound to 4.25 per cent for 1977 and on its simple bonus series the improvement is from 4.40 per cent to 4.65 per cent with the terminal bonus rate unchanged. The company does not pay a terminal bonus on its new series policies.

In contrast, Scottish Amicable, now one of the leading Scottish life companies, has cut its terminal bonus rate by one-quarter, while keeping its interim reversionary bonus rate unchanged—the opposite action from Provident.

I am not surprised by this action of Scottish Amicable, at the cut in terminal bonus. When terminal bonuses were introduced by the traditional life companies back in the good old days of the late '60s and early '70s, the companies made great play that these would reflect market conditions. But this year when the equity market at least has been weak, not one announcement has been made of any terminal bonus cuts until now. As Sherlock Holmes would say, a case of the dog that did not bark in the night.

On the latter point, the Life Offices Association recently produced a pamphlet entitled "Should I Surrender," which endeavours to explain how surrender values are calculated and justifies the penalty imposed. Investors should read it carefully before cashing-in their contracts and perhaps should read it before taking out a policy. Salesmen usually avoid this subject at the time of sale, ERIC SHORT

During the dark days of 1974, my forecast for reversionary most life companies duly cut bonuses is that some companies as is usual with life companies rates, the majority keeping the cuts were made six months them unchanged. E.S.

Abbey National present

SUPER RATE 77

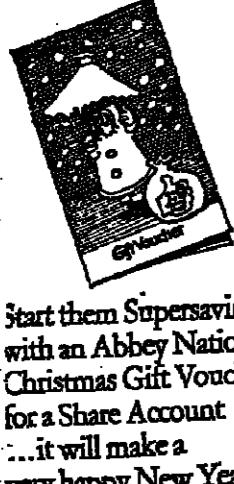
9·25% = 14·23%
p.a.

GROSS EQUIVALENT
IF YOU PAY INCOME
TAX AT THE BASIC
RATE OF 35%.

ONE GREAT RATE—TWO GREAT WAYS TO GET IT!

SAVERS

If you can save regularly then the big Build-Up is for you. That 9.25% interest soon builds up financial security behind you. And when you need your savings they are readily available. So come on in...regularly!



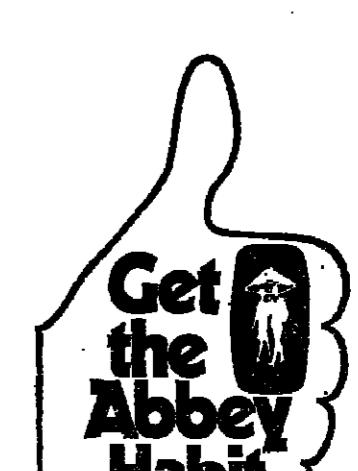
Start them Supersaving with an Abbey National Christmas Gift Voucher for a Share Account...it will make a very happy New Year!

INVESTORS

If you've got £1,000 to £10,000 (£20,000 for joint investments) to invest for a 3-year period, you'll find the terms of this new issue of Abbey National Bondshares very hard to equal.

Abbey National security has never paid better.

So come on in!



ABBY NATIONAL
for the security you need today.

Finance and the family

A declaration of trust

BY OUR LEGAL STAFF

In 1959 some shares were bought by my late uncle for my brother, but by mistake registered in my name. Since then I have endorsed all dividends, etc., in his favour, but as we are getting old we think it best to straighten the matter out. What would you suggest as the easiest and cheapest way?

The cheapest method of recording the position would be to make a written declaration of trust, which may be informal. The declaration should state that you have since 1959 held the shares on trust for your brother. When your brother or his estate wishes to sell he or it may direct you or your personal representative to effect the appropriate sale.

Blighted by planning

I own a property in an area programmed for redevelopment between 1961 and 1972. So far the council has neither purchased the property nor released the area from the programmed redevelopment. Is there anything I can do to make the Council buy the property?

It may be possible for you to serve a purchase notice on the planning authority requiring it to purchase the property by re-

son of "planning blight" under Sections 182-208 of the Town and Country Planning Act 1971. The provisions are complex, and you should consult a solicitor and/or surveyor versed in planning matters.

Faulty land sale

In 1966 I bought a piece of land, my title to which has a very poor map attached to it. The following year this land was sold along with other adjoining land to A by the owner who had previously sold it to me. The same solicitor and estate agents acted in both cases. Nothing has happened as far as the land is concerned but I should like to get the matter straightened out in view of a possible sale in the future. To do this is going to cost money. The original vendor is old and poor. From whom should I claim damages in anticipation of costs?

We have insufficient information on which to formulate a view as to a possible claim. You must first make your claim against A. If it transpires that your claim is resisted, and if you are obliged to establish it by litigation, you will then have to consider whether the opposition of A was caused or contributed to by any act or

omission on the part of those who acted for you in 1966. If not, your only claim would be against your vendor on his covenants for title. As some covenants for title will operate from the sale in 1966 and then be statute barred in 1978 you must act speedily to resolve these matters.

Recalcitrant trustee

Where there are 3 trustees, 2 of whom are the beneficiaries of an estate and the third falls out with one of the first two, must the distribution of income cease? Can the recalcitrant trustee be replaced? If so how? Trustees' decisions are normally effected by a majority decision. Moreover there is a duty on the trustees to carry out the terms of the trust. If therefore a trustee fails or refuses to take part of distributing income, the remaining trustees should effect the appropriate distributions without his concurrence. Unless the will confers on some person the power of appointing and removing trustees, the recalcitrant trustee may retire and join with the remaining trustees in appointing a new trustee; but he can only be compelled to do so by the Court.

I am outside agent employed by a solicitor empowered to act for the solicitor in the divorce case when the solicitor goes on holiday. What is his legal standing?

Solicitors normally employ agents only to act for them in the handling of litigation in the High Court in London (if the Solicitors do not practise in London). The client is always entitled to the representation of his choice and may instruct his solicitors not to employ a London Agent, or a particular London Agent.

A dangerous footprint

Could you tell me what is the responsibility of local councils to anyone sustaining an accident due to the state of the footpath?

The Highways (Miscellaneous Provisions) Act 1961 gives you a cause of action against the highway authority if you can prove that the path was in a dangerous condition, that the highway authority failed to repair the path, and that you have suffered damage as a result. There are defences open to the highway authority, principally that they took reasonable care in maintaining the path.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Avoidance of gains tax

I was given two cottages as a wedding gift of which No. 1 was occupied. We lived in No. 2 and when No. 1 became vacant we did it up and moved in, selling No. 2. We would now like to sell No. 1 to my widowed mother-in-law and build another house nearby. How do we stand as regards capital gains tax? If we are liable, is there any other way of arranging matters so that we can avoid it?

You cannot in general own two houses qualifying for capital gains tax relief at the same time. Consequently house No. 1 will attract tax on any gain on sale deemed to have arisen during the period when No. 2 was your main residence. This would be on a time apportioned basis from the date you acquired the house to the date of sale. If you do not sell the house to your mother-in-law, but allow her to live in it rent-free, then, as and when it comes to be sold, it will not attract tax.

Solicitor's agent

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Insurance

Costly cover on bikes

BY JOHN PHILIP

IT IS A SIGN of the economic times that the number of new motor cycle registrations continues to increase month by month so that there are now more powered two-wheelers—mopeds, scooters and motor cycles—on our roads than at any time since the peak period in the early 1950s—and many of them nowadays imported from abroad.

Broadly speaking insurers offer a range of policies similar to those for other motor vehicles, building up from the basic road traffic Act cover through third party fire and theft to "comprehensive." But the average "comprehensive" motor cycle policy provides substantially less cover than does the average "comprehensive" private car policy.

There are around three dozen

companies and Lloyds Syndicate prepared to sell motor and covers also those who use scooters, who may cycle insurance, if not to all the insured car with the policyholders permission, the normal are around another dozen companies who may but not necessarily provide motor cycle policy is more extensive. Most insurers provide cycle insurance for existing the machine its connections. So there unless extra premium is paid, no protection for himself; though when he comes to consider cover drivers whose experience and record is substantiated. The extra premium for one name driver is often within the 30 per cent range but may be as much as 50 per cent. Because of the discount.

Take for example no claims restrictive underwriting of thief, insurers provide cover for accessories, last month so allow 10 per cent for the policyholder while he is however many claim-free years riding a machine he does not there are, or some discount, that rise to 15, 20 or 25 per cent. In truth the so-called "comprehensive" policy covers little more than third party fire, among these latter, some insurers allow NCDs on the theft and accidental damage subject to an excess. The would-be policyholder will look in the machine its accessories.

Or consider the range of cover for clauses providing personal accidental damage excesses on personal accident or medical expenses cover, and will apply a minimum excess of £5 cover to his policy. If he wants though how much longer any personal accident cover, and strive to get "comprehensive" cover unless a motor cycle policy provides this low level is arguable—but against medical expenses, usually insured, while the more often £10, £15 or £25 he will have to buy a separate experienced rider, often these may rise to £50 or £100 premium to specially endorsed to cover motor cycling accidents.

While the average private car covers the policyholder, the average private car that for insuring

Careers

IT IS still generally assumed that university degree classifications represent nationally consistent standards. For example, a "good honours degree"—by which is meant at least a lower second-class honours—at any university is worth an extra £300 a year to a person entering school teaching in England and Wales.

The adjacent table, calculated from statistics for 1974 published two days ago by the University Grants Committee, challenges that assumption. The columns of percentage figures show the distribution of different classes of honours in each of 46 United Kingdom institutions. These figures are cumulative from left to right, and the institutions are ranked in increasing order of generosity according to the proportion of their bachelor-level output awarded a lower second-class honours or better.

If the Scottish universities seem exceptionally mean with honours, this is because of the different system north of the Border. There only a minority of students is generally allowed to go on for honours, which require four years of study, and the rest take the Scottish three-year ordinary degree which is more esteemed as a qualification than is its namesake elsewhere.

But, apart from these factors, there are obvious differences between institutions in the statistical chances of getting a given class of degree. And considering the differences between Oxford and Cambridge, the variances cannot all be explained by differences in the academic quality of the students. Moreover, while Cambridge is by

repute the hardest to get into, Keele is said to be the easiest.

MICHAEL DIXON

The Honours Degree Stakes - 1974

	Number of graduates	First class	Upper second or better	Ungraded second or better	Lower second or better	(as per cent)
	%	%	%	%	%	%
Glasgow	1,496	5.1	17.1	23.4	34.5	(31)
Dundee	508	2.2	17.7	21.9	42.4	(32)
Strathclyde	1,547	5.2	23.9	21.9	32.7	(33)
Edinburgh	1,044	6.5	17.0	22.7	43.2	(34)
Stirling	677	3.2	18.3	26.3	44.7	(35)
Aberdeen	1,003	4.2	20.3	21.1	45.5	(36)
Hertford-Watt	481	5.8	18.5	34.3	51.6	(37)
Queen's Belfast	1,294	4.9	27.8	28.2	51.5	(38)
Liverpool	1,602	4.5	29.8	30.9	50.5	(39)
London	4,755	7.9	32.7	31.7	61.4	(40)
Salford	775	5.9	28.4	31.4	61.4	(41)
University of Manchester Institute of Science and Technology	742	7.5	31.4	31.4	64.8	(42)
Aston in Birmingham	857	4.0	25.5	35.5	66.4	(43)
Leeds	1,001	5.3	29.1	29.1	66.5	(44)
St Andrews	557	10.7	28.8	46.9	67.5	(45)
University of Wales Institute of Science and Technology	465	6.2	24.7	34.7	68.2	(46)
Loughborough	578	6.8	33.6	33.6	69.2	(47)
Manchester	2,023	4.1	35.2	35.2	69.4	(48)
Newcastle	1,553	5.2	27.1	27.6	69.5	(49)
City University	471	8.1	28.7	28.7	70.1	(50)
Bath	605	6.0	35.4	35.4	71.3	(51)
Brunel	328	7.3	33.8	33.8	72.2	(52)
Birmingham	1,541	6.8	35.3	35.3	72.4	(53)
Bradford	709	5.1	32.9	32.9	72.8	(54)
Durham	919	5.8	33.7	33.7	73.2	(55)
Bristol	1,670	4.9	38.6	38.6	74.3	(56)
Surrey	552	8.0	35.0	35.0	74.5	(57)
Essex	2,416	5.8	36.8	36.8	75.8	(58)
Sheffield	1,252	5.5	36.9	36.9	76.2	(59)
University of Wales	2,950	4.3	34.6	34.6	78.3	(60)
Oxford	1,757	10.9	79.8	79.8	81.8	(61)
Hull	955	2.9	34.1	34.1	80.1	(62)
Reading	1,133	3.7	34.7	34.7	80.5	(63)
Warwick	689	4.8	35.3	35.3	81.0	(64)
Exeter	905	4.6	37.2	37.2	81.4	(65)
Kent	660	3.9	32.4	32.4	82.0	(66)
Nottingham	1,656	6.8	41.0	41.0	82.1	(67)
Leicester	796	5.6	40.3	40.3	83.0	(68)
Sussex	765	8.3	42.9	42.9	84.3	(69)
Ulster at Coleraine	388	3.3	36.2	36.2	84.6	(70)
Lancaster	669	4.2	39.8	39.8	84.6	(71)
Southampton	1,016	5.2	39.1	39.1	85.5	(72)
York	652	5.7	44.3	44.3	86.9	(73)
East Anglia	729	5.2	41.3	41.3	87.7	(74)
Keel	369	1.6	39.6	39.6	90.0	(75)
Cambridge	2,890	17.4	53.4	53.4	91.7	(76)
Men, overall	36,739	7.6	31.3	31.3	67.6	(68)
Women, overall	18,674	4.6	33.2	33.2	73.0	(77)

B-K3?

seven rounds to go. Korchnoi has shown excellent form in a training match against Black has "lost" fairily predictable Russian counter and already Ko

is what it omitted. The statement the young Dutch champion Timman made the best planned 13. USSR grandmasters would refuse top board score of Tony B-K5; 13. BxR. D. Timman made the best Timman, Timman made the best B-E, 14. B-N2, E-C, 15. BxR. D. Timman made the best B-N2, E-C, 16. BxR. D. Timman made the best B-N2, E-C, 17. BxR. D. Timman made the best B-N2, E-C, 18. BxR. D. Timman made the best B-N2, E-C, 19. BxR. D. Timman made the best B-N2, E-C, 20. BxR. D. Timman made the best B-N2, E-C, 21. BxR. D. Timman made the best B-N2, E-C, 22. BxR. D. Timman made the best B-N2, E-C, 23. BxR. D. Timman made the best B-N2, E-C, 24. BxR. D. Timman made the best B-N2, E-C, 25. BxR. D. Timman made the best B-N2, E-C, 26. BxR. D. Timman made the best B-N2, E-C, 27. BxR. D. Timman made the best B-N2, E-C, 2

Motoring

rendsetter

TUART MARSHALL

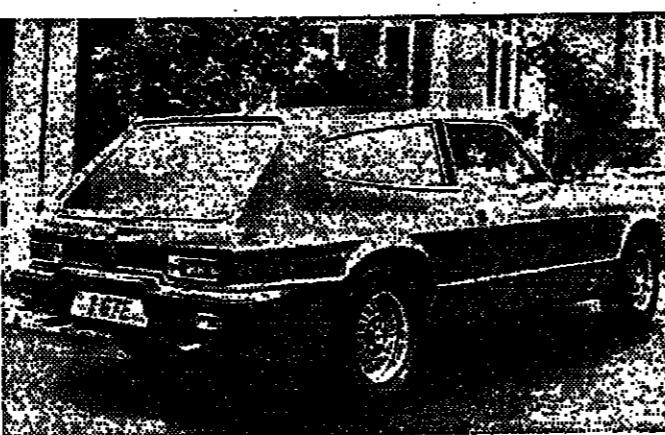
RELIANT Scimitar GTE Up front, there is now ample trend setter when it leg, elbow and headroom and in 1969 as a coupé space Reliant have even found space lift-up rear window and for a driver's left footrest.

The suspension has been considerably softened so that the ride is very good on all but the roughest roads, though the big wheels still thump noisily when they drop into potholes. Making the GTE more comfortable to when they see it.

sting it recently was like meeting an old who turns up at intervals years, looking a little though still fairly youth d showing signs of having up in the world mean-

Scimitar GTE is a bigger before, having gained inches in length and three b. This may not sound but it has grown in the areas. It is much roomier even if it still falls short g a proper four-seater; the rear seat backrests upright and both head room there are minimal o, young children will nd a six-foot man might a ride in the back to home from the station rain. With doors four wider, and front seats de forward when the re tilted, the back seats daunting to enter and

an economy conscious driver are difficult to pay attention to



can get 28 mpg on a run with in daytime and near impossible out difficulty.

Driven gently, it has an enormous range; the 20 gallon tank needs to be refilled at intervals of 500 miles or so.

The gearbox is not one of Ford's best, with a notchy shift and, at any rate in my test car, a wobbly lever. The clutch has a long throw, which I didn't mind, but which might, I suspect, bother people with shorter legs than mine.

Visibility to the front and rear (there is a two-speed wiper and washer for the back window) is satisfactory, though the screen pillars seem on the thick side and the side windows are very shallow.

These, I suppose, are a reflection of the car's age. So is the instrumentation. The answer, I think, is that one would buy the GTE because it has an attractive "vintage" feel about it that the more up to date cars lack. It is one of those cars you drive with the seat of your pants; there aren't many of them left.

Beyond argument, the Reliant is the fastest of its kind and its glass fibre reinforced plastics body and rubber covered bumpers are non-corroding. The real speedometer, rev. counter and warning lights are easy enough to see through the wheel, but the row of four gauges for tank contents, oil pressure, radiator temperature and battery charge that motorway cruising is extraordinarily quiet and relaxing. Like that other long-legged, big engined car, the Rover 3500, the GTE can be surprisingly economical. It is still doing just over 30 mpg at a steady 60 mph and an economy conscious driver are difficult to pay attention to

ayel

car old ffles mains

INSTANCE flights will justify as a rest cure, but airline do their best this year, somewhere Karachi and Bangkok 18-hour stint from am to Singapore, I to Channel 7 on KLM's. The incredibly soothance of a Dr. Rama an proceeded to tell me se I was and what to t it. Dr. Polderman is a yoga therapist and,

it was his in-flight the astronomic fines imposed one of a glittering list of Raffles' s, his voice, or the on-the-spot for litter bugs. The visitors that has ranged from Rudyard Kipling to Robert Kennedy.

The choice of modern hotels is considerable from the family-size Premier (linked to the Singapore Hotel and Catering School) to the jumbo-size Shangri-La from whose top floor bar is one of the great city views of the world. I stayed at Raffles because its kind of faded glory appeals to me. It obviously

appeals to others. Like every city, Singapore has certain well-tried sights. There are the Tiger Balm Garden, which I found garish, though I regretted not buying a pot of that famous cur-all (my guide swore by it for most of her life) on whose success the prosperity of the brothers Aw Boon Haw and Aw Boon Par was founded.

The House of Jade, which was the brothers' family mansion, is a treasurehouse of beautiful jade. And there are the green spaces—surprisingly many in

the gardens of the city. Indeed, Raffles Hotel is one of per cent. others, the oldest things left in Singapore, a nostalgic little mixture, which is in much variety of oasis in which Maughm-like custom and cooking characters, a few of whom still shared my pre-conceived exist in this part of the world; of South-East Asia, merge into the background.

basic facts tell their story: an island nation of 2.2m. miles (about the Isle of Man) with 22.2m. compr. replaced by yet more high-rise per cent. Chinese, 15 per buildings.

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How to spend it

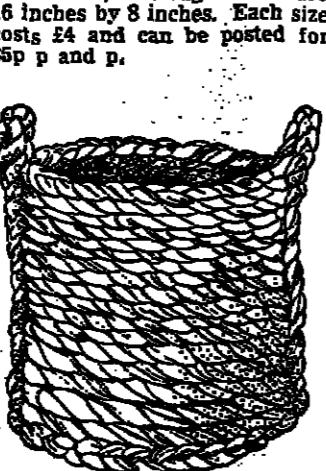
A mixed bag of last-minute ideas



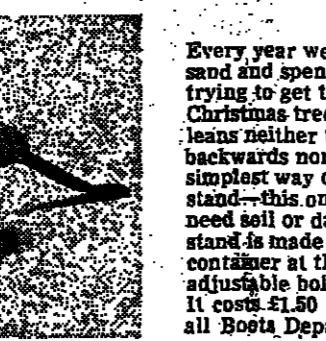
It but fine present—a 1976 Christmas gift from Liberty's first of an annual series. mug features 'Adams' Jade' tableware pattern in pink with gentle tones of green and yellow on the shaded blue-green Calyx £2.25 (p+p 45p) from y and Co., Regent Street, W1.



would be a more beautiful more practical way of rings so that they are able and yet decorative? spica of a Georgian ring is 4 ins. high, is made and turned and polished and is made by Mary Hobin Ellis for Halcyon of 14, Brook Street, W1 YAA. It costs (p+p 40p) if you'd like to risk the post—Days will send the day as order received).



Nothing becomes a fireside so well, in my view, as a handsome log basket. Conran, of 77/79 Fulham Road, London SW3 has some rush and willow log baskets, made in Surrey, which are cheaper now than similar models were several years ago. They come in various shapes and sizes and can even be made to measure. The willow basket shown here is 18 inches high, 18 inches in diameter, and costs £14.00.

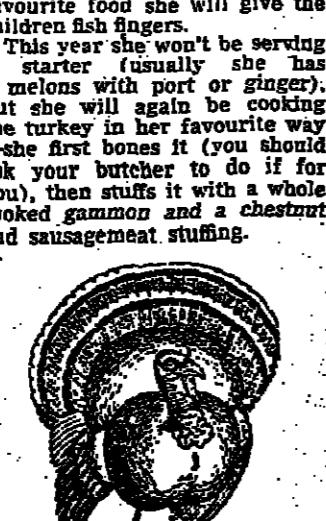


Every year we fiddle about with buckets and sand and spend a few precious minutes trying to get the precise balance of our Christmas tree right. Making sure that it leans neither to left nor to right, neither backwards nor forwards isn't easy. The simplest way out is to use a Christmas tree stand—this one, by Standex, means you don't need soil or damp sand or a container. The stand is made of metal and there is a water container at the centre of the tripod, while adjustable bolts hold the tree trunk in position. It costs £1.50 and should be available from all Booth Department Stores.

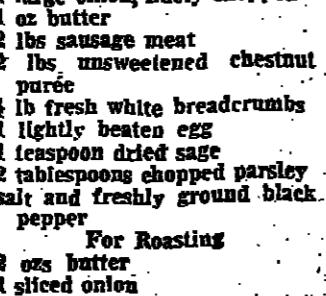


WILD RICE AND SAUSAGE STUFFING
7 oz wild rice
1 lb onions, minced
1 lb butter or margarine
1/2 oz mushrooms
1/2 oz sausage meat
2 tbsps minced parsley
1 tsp crumbled sage
salt and pepper
Steam the wild rice for approximately 25 minutes. In a frying pan sauté the onion in butter or margarine until soft. Stir in chopped mushrooms and sauté until golden. Add sausage meat and sauté the mixture for 2-3 minutes more, or until the sausage meat is cooked. Combine the rice with the mushroom/minced parsley, sage, salt and pepper to taste.

Prue Leith, restauranteur and director of Leith's school of food and wine, has a new house near Moreton-in-the-Marsh and will be feeding 21 people, including four children under five. Since the children's favourite food is fish fingers and the grown-ups will be eating their favourite food she will give the children fish fingers. This year she won't be serving a starter (usually she has melons with port or ginger), but she will again be cooking the turkey in her favourite way—she first bones it (you should ask your butcher to do it for you), then stuffs it with a whole cooked gammon and a chestnut and sausagemeat stuffing.



BONED STUFFED TURKEY
6 lbs boneless smoked gammon
15 lbs turkey
2 carrots
1 onion
2 bayleaves
parsley stalk
peppercorns
1 large onion, finely chopped
1 oz butter
2 lbs sausage meat
2 lbs unsweetened chestnut puree
4 lbs fresh white breadcrumbs
1 lightly beaten egg
1 teaspoon dried sage
2 tablespoons chopped parsley
salt and freshly ground black pepper



For Roasting
2 ovs butter
1 sliced onion
2 bay leaves

Set the oven to 205°C, 400°F, gas mark 6. Push the ham into the turkey through the large cavity at the neck end. Using your hands, push all the stuffing into the turkey and around the ham in an attempt to bring the turkey back to its original shape. Smear butter all over the turkey and put it into a roasting tin. Add all the giblets (except the liver) and the neck. Add the onion, bay leaves, and parsley stalks. Pour in two cups of water. Roast the bird for one hour, lower the temperature to 180°C, 350°F, gas mark 4, and roast for a further five hours. Baste occasionally as it cooks, and cover with foil.

With his own fruit plum pudding he serves a brandy sauce:

5 egg yolks
1 pint rich milk
3 oz castor sugar
1 sherry glass of brandy
Beat yolks and sugar together thoroughly, add 1 pint of cold milk, bringing the rest of the milk to the boil. Add slowly to the mixture, stirring continuously. Pour mixture back into saucepan on very low fire or Bain-Marie, stirring to and fro with wooden spoon until creamy substance is obtained, taking care that the mixture does not come to the boil. Strain into cold dish and add brandy.

If you're cooking for a small number (two-four), it could be worth having something really different—a luxury dish, perhaps like a whole fillet of Scotch beef.

Though there are many complicated recipes for sauces and methods of cooking fillet, I think the best way is still the simplest and the most straightforward—either plain roast or grilled and served with maître d'hôtel butter (butter, a little finely chopped parsley, dash of fresh lemon juice and garlic or pinch of cayenne pepper). If you like the beef rare pre-heat the oven to 450 deg. (mark 8) and cook for half-an-hour. Then reduce to 350 deg. (mark 4). Allow just 15 minutes per pound in all.

For the vegetables you should choose those which look fresh

and young—mushrooms, carrots, courgettes, celery, aubergines, baby artichokes are among the vegetables he will select, and he will probably serve as well a few piquant things like anchovies and olives.

The mixture for cooking 1 lb

vegetables is as follows:

2 wine glasses dry white wine

1 glass olive oil

a few drops of wine vinegar

1 bay leaf

sprinkle of thyme

whole peppercorns (white or black)

salt to taste

Simmer the above ingredients together, then add 1 lb of baby mushrooms and simmer for five minutes. For carrots, courgettes, celery and aubergines (cut the aubergines into 1 inch by 1 inch strips first) follow the same formula but cook for ten to 15 minutes. Don't overcook them as they're much nicer when crunchy.

To stuff and roast the turkey

Soak the gammon in cold water overnight to remove excess salt. Place in a large pan of cold water, add the carrot, onion, bay leaves, parsley stalks and peppercorns, and slowly bring to the boil. Cover and simmer for 25 minutes for each pound. Leave to cool slightly in stock, then lift out and pull off skin. Leave to get completely cold.

To stuff and roast the turkey

To make the stuffing, melt the butter, add the onion and cook until soft. Mix together the sausage meat, chestnut purée, breadcrumbs, sage, parsley, salt and pepper. Add enough egg to bind the mixture together without being sloppy.

Set the oven to 205°C, 400°F,

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your hands, push all the stuffing into the turkey and around the ham in an attempt to bring the turkey back to its original shape. Smear butter all over the turkey and put it into a roasting tin. Add all the giblets (except the liver) and the neck. Add the onion, bay leaves, and parsley stalks. Pour in two cups of water. Roast the bird for one hour, lower the temperature to 180°C, 350°F, gas mark 4, and roast for a further five hours. Baste occasionally as it cooks, and cover with foil.

For the turkey, he makes his own stuffing—a mixture of finely minced pork, finely minced leg of chicken, legs of pheasant if he has them, mixed with onions previously cooked in oil, a sherry glass of Madeira, some port fat, cooked chestnuts and seasoning.

He greases the turkey with oil (not fat or butter) and places it with the breast facing the oven door, first on one leg for an hour, then on the other for an hour and finally on the back, basting all the time.

He believes in very simple gravy. He removes the bird, scraps it on a dish or tray to keep warm, puts off excess fat. Into the residue he puts one glass of dry white wine (or water if you don't have any wine to hand) and with a wooden spoon stirs up the residue and amalgamates all the juices.

With his own fruit plum

pudding he serves a brandy sauce:

5 egg yolks

1 pint rich milk

3 oz castor sugar

1 sherry glass of brandy

Beat yolks and sugar together thoroughly, add 1 pint of cold milk, bringing the rest of the milk to the boil. Add slowly to the mixture, stirring continuously. Pour mixture back into saucepan on very low fire or Bain-Marie, stirring to and fro with wooden spoon until creamy substance is obtained, taking care that the mixture does not come to the boil. Strain into cold dish and add brandy.

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The Arts

The Photographers

BY WILLIAM PACKER

Artists suspected from the start and have long known for quite another. At what point should the edition be limited, or when modern technology makes authentic creative medium. Confidently they allow that the very imitation all but necessarily prove himself necessary." It is an ethical question, similar to several faced, or one of their number. But the idea has taken a long time to achieve more general acceptance; print publishing world for some achieve more general acceptance; print publishing world for some accessible of media, everyone's hobby; and what can be special about something everyone can do?

Even photographers themselves, jealous of their peculiar status, proud of their Art, often wish, nevertheless, to have it all ways; and so, quite as much seduced by that magical technology as the most innocent shop-shooting amateur, they further betray their Art more interested in virtuous than achievement, meretricious effect than fundamental cause, content than form.

The Marlowe is the latest of art galleries to move into the photographic field, having recently purchased Bill Brandt's collection of our most distinguished photographers to join its stable.

The exhibition of his work, which remains on view at the gallery until January 13, is admiringly a powerful statement of the medium's case to be shown in such a place.

Brandt's career has spanned nearly five decades: here we concentrate upon the first three, and the first of all, the 'thirties, especially. He has made the English rather than England his subject, though his sensibility towards land and town-scape is very finely pitched; and the nuances of English social behaviour and organisation have always intrigued him. The content is ever important: he evidently feels strongly and distinctly about some of his subjects—the Jarroo coal-miner, miners, a housewife in Bethnal Green scrubbing her doorstep.

They are striking and affecting things. But they are polemical, the polemic implicit. The photograph works as great sculpture, all of them seen in the 'forties and the all but disembodied nude fragments and distorted studies of the 'fifties—all take on a similar sculptural emphasis and definition.

And his technical discipline and formal judgment. And we see these same qualities working together, so nicely balanced, in the pictures of the more fortunate enjoying their parties and days at the races. They are not satisfied at all, but coolly and acutely observed.

They too make memorable prints. There are problems to be resolved. Prices fluctuate wildly, and often seem excessive for something that is the fruit of a chemical process, and is so readily reproducible. Even more than the graphic, photographic prints should be cheap, widely available. A rare print from a vanished negative is one thing, images.



Felix H. Man: James Agate (1939)

A formal consistency runs through the work: the huddled figures of the 'thirties, sheep at Avchury, shelterers in the Underground, cattle at Stonehenge, Henry Moore with his sculpture, all of them seen in the 'forties and the all but disembodied nude fragments and distorted studies of the 'fifties—all take on a similar sculptural emphasis and definition.

The later they are, the simpler and more emotionally developed they become: but their simplicity works retrospectively, so that we see the fine men of his youth for all the world like statues in a formal garden.

As a young man, Brandt worked with Man Ray, the surrealist painter, and one of the

distinguished veterans is celebrated Felix H. Man, a retrospective of whose portrait photography fills the small room next to the bookshop at the National Portrait Gallery until January 3. Man's consistency is even more apparent than Brandt's, as is his more limited ambition. But taking on less, seeing all his sitters with the same simplicity and directness, their particularity, their self-conceit, are somehow isolated and demonstrated by a sobering force. Concentrating upon composition, the subject simply posed and simply lit. Man achieves images of definitive clarity and power.

Mussolini at his desk, James Agate, cigarred and bearded Berenson pixie-like before his flowers and Madonnas, they act out for us the image we already have of them, which may prove to be the right one after all.

Theatres this week

ALDWICH—*Wild Oats*, Hila-witch hunting in the 17th century farce by John O'Keefe. A lively contentious evening from 1791. It uses all the tricks of farce. Reviewed Wednesday.

CINEMA—*Gothic Shoe*. The conventional tricks of farce. Reviewer—Ned Sherrin-Caryl Brahms. Cinematograph awards in the shape of a derella in New Orleans, very stage-struck hero. (Alan attractively done in a "concert Howard.) Not to be missed. Opened Tuesday.

ICA THEATRE—*Vinegar Tom*, songfest by the company. Monstrous Regiment in Caryl Opened Wednesday.

Churchill's fascinating but PLAYERS THEATRES—*Babes* slightly underwritten play about in the Wood. The genuine Vic-

torian burlesque article performed by a company who know exactly how it should be done.

Opened Wednesday.

On Monday, December 20 there will be a special late performance of Tom Stoppard's *Dirigible* at the Apollo Theatre at 11.45 pm in aid of UNICEF. The theatre bar will be open until the curtain rises.

Tickets are £2.20 (30 standing at £1). They can be obtained from Edward de Souza at the theatre.

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Henry Stacy Marks — "Charity." Signed. Oil on canvas. Exhibited at the Royal Academy in 1854. To be sold on January 7th.

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SATURDAY, DECEMBER 18, 1976

With strings attached

THE CABINET had spent so been content with £1bn. of cuts long a time discussing the pack-in public expenditure for the age of measures which the time being, provided that they Chancellor should produce to were genuine cuts in current support his request for a loan spending which clearly fore- of \$3.5bn. from the Interna- tional Monetary Fund that its programme to reduce the share of general shape came as no great surprise. There were cuts in public sector. But only a minor part of the cuts fall clearly into this category. Some are no more than changes in methods of financing expenditure; some are cuts in capital spending, which may turn out to be postponements rather than genuine cuts; and some are of such a nature that a large part of their impact will be felt in the private rather than the public sector. It is a bag of oddments rather than the beginning of a change of direction.

Money break

The package in itself, therefore, is unlikely to fill industry cuts and the tax increases were strongly opposed by the left wing of the Labour Party. The TUC reaction came on Thursday, when the Economic Committee criticised the measures in detail—not least because they would leave unemployment still going up and prices in the final quarter of next year are expecting. A fall may still 15 per cent. up on the last quarter of this—but gave the Government its general support. It issued a warning, however, that in the coming talks about the next stage of wage restraint it would not be content to accept a cut in direct tax next April as a quid pro quo but would want specific assurances on a variety of economic and social issues.

Rag-bag cuts

Because of the discomfort which the package has caused to the left and the unions, there has been a tendency elsewhere to regard it as economically virtuous—just the sort of thing, in fact, for which the IMF was hoping. But the fact that the IMF is giving us only \$1.5bn. at once and another sum of around the same amount at the end of 1977 if things are going satisfactorily, the other half of the loan remaining contingent on further consultations at that time, does not suggest that it is entirely happy about the package or confident in the Government's intention to get the economy back into balance by the time that North Sea oil pushes us back into payments surplus. We ourselves, given the level of unemployment, would have thought that the politicians to get the economy straight.

But the essential point of the package, whatever its details, is that the Government has undertaken to keep domestic credit expansion—the growth of the money supply adjusted to take account of the balance of payments position—to a maximum figure. This is usual when countries borrow from the International Monetary Fund. What is unusual in this case is that the behaviour of DCE will be constantly monitored—even its definition may be altered again if the figures are artificially distorted by money market movements—and credit made available in instalments only if its behaviour is satisfactory. It is the tightness with which the credits we need are tied to this DCE string which will force the politicians to get the economy straight.

Letters to the Editor

Directors

From the Director,
Aims for Freedom and
Enterprise.

Sir—These days we seem to get a committee of inquiry's papers published on the initial stage plan—but I am sure Mr. John Elliott's analysis of the Bullock Report (December 14) is accurate. There are many odd things about the whole Bullock affair. First, the terms of reference which tied the group to accepting workers on Boards—which lies in the face of the majority of opinion in industry.

Second, only three of the ten members of the group—Norman Biggs, Barrie Heath and Sir Jack Gallard—represent industry. The trade unions had Clive Jenkins, Jack Jones and David Lea from the TUC Economic Department. The really extraordinary thing is that shareholders were unrepresented, unless one includes Mr. Norman Biggs in his role as a banker (in which case the industrial representation is down to two). And even the trade union members of the Bullock Committee seem to have accepted that the shareholders have a role on the Board, then it must have seemed obvious that banks, building societies, insurance companies, the Stock Exchange, etc., should have had representation at least equal to the trade unions.

The whole tragedy of the matter is the way that opinion in this country is so illiterate and prosecution are not as rare as is supposed. The last case was neither 44 years ago nor in 1921, as is variously suggested. Goff's case was indeed the last success on the real steps that have and the following half-century, the participation is concerned. The latest being Lady Birdwood's greatest progress has been made in the United States and their Council of Love in 1971. The interest goes back over the past 50 years. Their research and to be dead, but it never really practised has constantly been lay down, even in modern times involved with direct communication with the man and woman on the shop floor, and giving them ways and means of using their experience and intelligence to effect a change.

British practice has been to stir this up through the shop steward with disastrous results and an adverse effect on the morale of the first-line supervision. Compulsory trade union directors will not only threaten free enterprise, they will also make genuine participation on Steriopoulos (December 14), the shop floor more difficult to actually pleading for a dearer pound. Perhaps our costly

THE OPEC ROW • BY RAY DAFTER

Saudis defy the hawks

A NOVELIST would have a rate of at least 11.8m. barrels a day; some observers put the figure appreciably higher. Exactly what happens when the value is completely open is far from clear: it was one of the questions being posed at Oil industry executives in hastily-called meetings of oil company planners yesterday. For a start it is not known whether the oil will be sold only to the Aramco partners—Exxon, Mobil, Texaco and Standard Oil of California—or whether other groups will be invited to buy.

It is uncertain how long Saudi Arabia will take to release all its captive capacity or the time it will take for shipping and terminal facilities to be geared up to the change in supply pattern. Oil company stocks are currently high, in anticipation of winter demand and price rises, but within a few months buyers will be anxious to replenish stocks at the most favourable price.

If the 11 OPEC members which opted for a 10 per cent. price rise resolutely stick by their decision—in defiance of the 5 per cent. adopted by Saudi Arabia and the UAE—two alterna- tive scenarios emerge. In each case the intended action of the Saudis is crucial. Saudi Arabia is the biggest contributor to free world oil movement; its producing capacity represents almost a third of the OPEC total. In the past couple of years Sheikh Ahmed Zaki Yamani, the Saudi Minister of Oil, has used this position of strength to forge a united policy of relative price stability. Some in the industry were saying privately that the 11 OPEC "hawks" may have demonstrated their defiance at their peril.

The two basic prospects are: On the one hand Saudi Arabia could hold down its output to perhaps the recent level of 8.5m. barrels a day. In this situation the lighter grades of crude oil might withstand market pressure and hold a 10 per cent. rise, although it is almost certain that the less attractive heavier crudes could not. Producers of heavy crude—in particular, Kuwait, Venezuela and, to some extent, Iran—would find themselves in an uncomfortable market. They have to look back only to 1975 to remember the days when, through depressed demand, they were forced to concede discounts on sizeable deals up to 30 cents a barrel; credit periods were extended to 120 days as against the present 30 days.

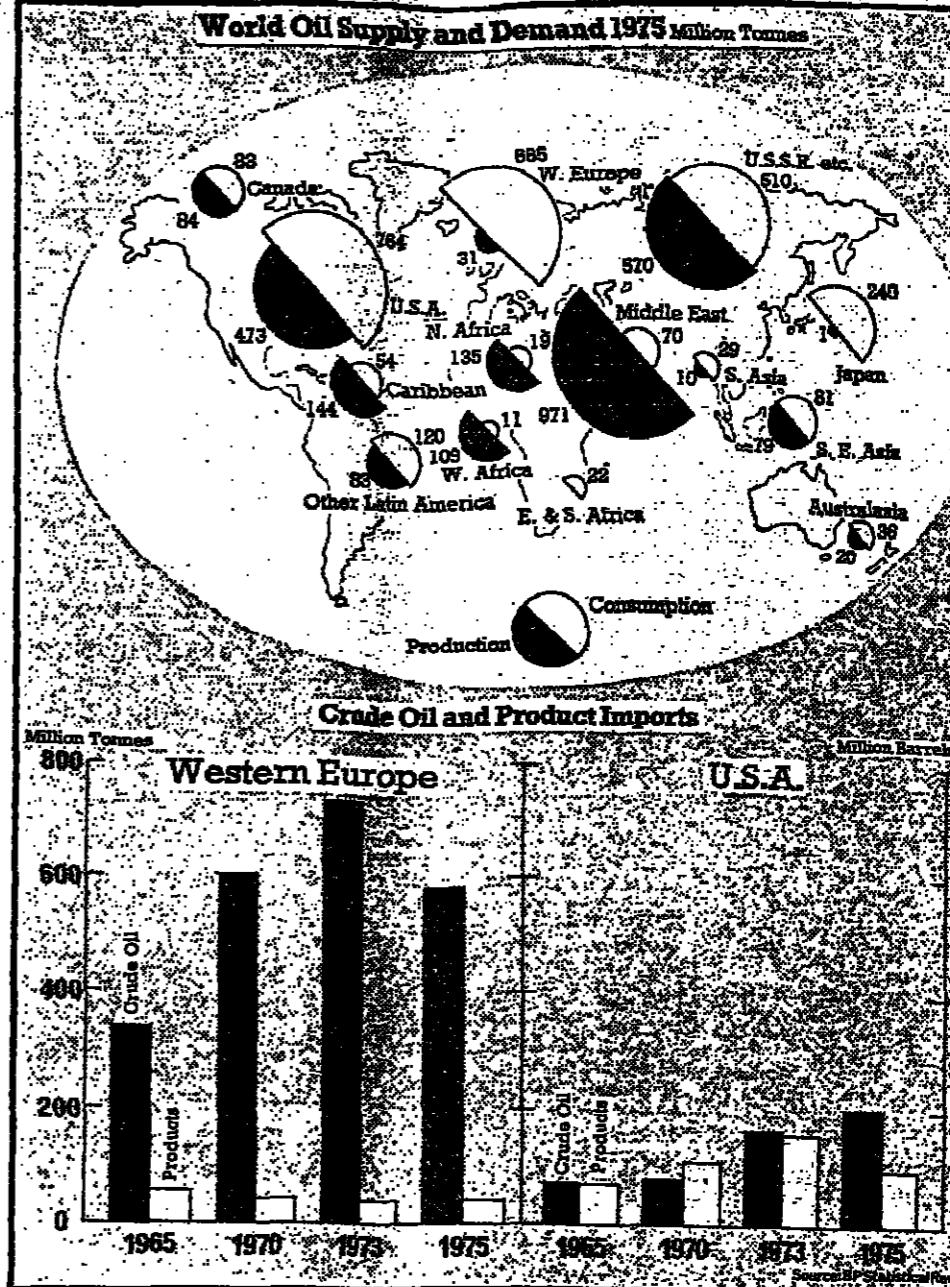
• The alternative hypothesis is even more serious. Saudi Arabia, by "flooding" the world market with its own crude, could disrupt the supply position and, quite possibly, the economies of its fellow OPEC members.

Sheikh Yamani categorically stated yesterday that his country would remove its present ceiling on its output. "The market will decide the level of our production. There will be no more ceilings," he said. In recent months Saudi Arabia has started easing the control valve: its output in October was 9.24m. barrels a day; no less than 5.74 per cent. up on the previous year and 20 per cent. up on the January-October average. It is thought in the industry that Saudi Arabia could produce at

WHERE BRITAIN BUYS ITS OIL

	1976 (10 months only)	1975		
Vol. (m. tonnes)	% of total	Vol. (m. tonnes)	% of total	
Saudi Arabia	14.5	20.2	21.8	25.0
Abu Dhabi	1.3	1.8	2.3	2.6
Dubai	2.0	2.7	1.5	1.7
Qatar	4.4	6.1	3.8	4.4
Iran	16.2	22.6	17.3	19.8
Iraq	3.9	5.4	2.6	2.9
Oman	1.3	1.9	2.8	3.2
Kuwait	8.6	12.0	10.7	12.3
Libya	1.7	2.4	2.6	3.0
Soviet Union	2.5	3.5	0.8	0.9
Venezuela	1.2	1.7	3.1	3.6
Nigeria	3.4	4.7	5.7	6.6
Others	10.7	15.0	12.3	14.0
TOTAL	71.7	100.0	87.3	100.0

Source: Institute of Petroleum



Aramco, will be in a particularly delicate position. If Iranian production falls to the level of requirements, this year, the oil will be supplied by the remaining 11 OPEC members between 40 and 45 per cent., the price decision area for refusing to honour their obligations of liftings under the 1973 agreement, can be extended. On a more positive note, the 11 OPEC nations who were energy ministers when the 1973 agreement was signed as ministers when they met in Brussels on Monday, are among those forced to cut the price of its heavy crude to reflect the slack market conditions of 1975 and early 1976. It took the action reluctantly and belatedly. Now it faces a similar prospect for a different reason: competition from the plentiful supply of cheaper, alternative crudes.

Iran, like others in OPEC, will now be trying to gauge the intended action of oil companies.

The dormant dispute between the Iranian consortium of companies and the National Iranian Oil Company (NIIOC) could well be revived. The dispute centres

on renegotiation of the 1973 agreement which laid the basis of future liftings and investments. Since January, the companies have withheld their monthly investment, about \$30m., pending renegotiation.

The problems, which came into the open when the companies reduced their agreed liftings in the first part of the year, disappeared below the surface when international oil demand began to pick up in May.

Iranian production has been at record levels of about 6.5m. b/d in recent months but output in the first half of next year could well drop, particularly if the two-tier system is retained.

NIIOC has been attempting to develop its oil fields to smooth out this anticipated decline by tying over purchase agreements into the New Year.

Consortium members, particularly the U.S. partners in

Aramco, will be in a particularly delicate position. Four years ago it imported about 30 per cent. of its oil bulk of the EEC's oil imports. Since January, the companies have withheld their monthly investment, about \$30m., pending renegotiation.

Unfortunately, the majority of countries in general have been disappointed in their hope for continued price restraint. The differential will mean that the impact on economies will vary, depending on their sources of supply. Britain, for instance, buys a quarter of its imported crude from Saudi Arabia and UAE crude will be \$12.08.

On this basis importing countries have been disappointed in their hope for continued price restraint. The differential will mean that the impact on economies will vary, depending on their sources of supply. Britain, for instance, buys a quarter of its imported crude from Saudi Arabia and UAE crude will be \$12.08.

A large proportion of America's imports come from Saudi Arabia. Indeed, many oil forecasts for the U.S. are based on the assumption of Saudi Arabia increasing its production. But the U.S. is also a big importer of Venezuelan crude, which opted for a 10 per cent. cut of production and

willing to bet that they will be able to meet the demand.

Theoretically, the 11 OPEC members, siding artificial economic justification and ignoring the economies of the individual countries, could not do another big increase. This has shown, at least, that the UAE for their restraint.

In recent months, the U.S. has been partially successful in its relationship with Saudi Arabia and has already been a major

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The Financial Times Saturday December 18 1976

Irian Hamilton and Peter Riddell examine events leading up to Mr. Healey's mini-Budget

Just in time

Hardly the package to end them all

BRITISH economic policy sterling might be too high given the war can be seen as a faster rate of inflation in Britain compared with overseas. Lurches, there can be But any hopes of managed periods which have been adjustment were shattered after violent lurches in quick March 45 when the Bank of England's sale of sterling and started off with a strong cut in Minimum Lending Rate rate, with all the signs were seen by the market as a clear indication that the Government convinced that it had wanted a fall in the right combination of sterling. There would probably be a drop in the pound if, has now ended with anyway but the mismanagement nearly a fifth lower, of those two days—regarded by introducing his third package of public spending since the start of the year and the prospect of an immediate fall than would otherwise have occurred.

In spite of massive intervention by the Bank in the foreign exchange market and a sharp rise in interest rates, the slide in sterling continued for three months—and was only temporarily halted by the agreement in early June of the \$5.3bn. Central Bank standby credits. At the time there was strong pressure from officials on the overseas side for immediate action to cut public spending but the Cabinet reacted by beginning the lengthy discussion which led to the July package.

The usual inter-departmental haggling and political opposition by the overseas side under Sir Derek Bell, backed by the Bank of England, in proposing and pushing measures to satisfy "foreign exchange" and the way that cabinet, and also the trade unions, have ultimately had to demands for a series of assurances presented as vital to sterling.

At the beginning of the year, official view was that the exchange rate should be allowed to rise gently to ensure a rate of growth in exports.

By the end of February, there was even concern that

the Cabinet, and approved Cabinet went off on holiday to the corner had turned. They

By all accounts, Mr. Healey came back to a very different Cabinet as sufficient in itself to When sterling once again started to decline in early September, the Government had effectively used up all the shots

of the IMF team under former Bank of England official Mr. Alan Whittome, impelled a change in attitudes in the U.K. Treasury and Bank of response was to stop supporting England officials was clear—the rate—and allow a completely

pitch for the largest loan ever sought from the Fund.

This in turn was followed by the hasty decision to increase MLR by two points to 15 per cent.

At the same time, the arrival of the IMF team under former Bank of England official Mr. Alan Whittome, impelled a change in attitudes in the U.K. Treasury and Bank of response was to stop supporting England officials was clear—the rate—and allow a completely

Treasury was giving away the following financial year.

As Mr. Heath found before, however helpful the reassurances from President Ford and Herr Schmidt, the U.S. and German Governments were not

going to intervene to soften the IMF terms nor were they prepared to agree on a safety net at least the two years of the loan.

The leading industrialised countries, notably the US and Germany, are now inextricably involved in British economic policy and committed, as their statements on Wednesday evening showed, to the success of the strategy in the IMF letter. More fundamentally, this year's events have also reinforced the underlying questions posed by the continuing lurches in British policy and the balance between public and the private sector. If the problem this year has been yet again the value of sterling, then the authorities' management of the exchanges and interest rate policy must be open to considerable criticism—even more the impression created of an apparent divergence between the Treasury's strategic decisions and the Bank of England's tactical interventions in the market.

The final results have also proved uncomfortable like the March and July proceedings in their lack of conclusiveness. Mr. Healey has promised tax cuts next April and this undoubtedly did something to persuade Mr. Lever at least to accept the measures. But the arithmetic shows that there is little, if any, room for tax cuts within the financial targets without offsetting increases in indirect tax or further spending cuts.

Not despite the Chancellor's brave words about the measures being the final bite at the cherry has this proved the end of the story. The IMF has carefully maintained a monitoring role and is handing out the cash by instalments—and this in turn has the result that even with the short-term U.S. and German facilities on top, the reserves are hardly sufficient to meet a further currency crisis.

So, in a way, the year is ending as it began—with one more package under the nation's belt but no guarantee that there will not be another with sterling a little healthier than it was a month ago but with no assurance.

"The Chancellor has introduced his third major package of spending cuts since the start of the year. Moreover, there is every chance that the latest package, like previous ones, will have to be followed by yet further measures."

the world was prepared to give free float for the first time Britain short-term "unconditional" support. But this was on the understanding that the U.K. put its own house in order quickly, and under the proviso that it would have to seek "conditional" IMF loans by the end of the year if it did not. Hence the time limit placed on the credit.

In less than a month it became obvious to all—except perhaps Mr. Healey and hence the Cabinet—that an IMF loan was inevitable. Within a month of the granting of the standby credit, the U.K. was forced to take up \$1bn. for its support operations. The money supply was meanwhile growing more rapidly than the official guidelines. At the same time, evidence was building up that the economy was not growing nearly as fast as hoped in July, while the external current account deficit remained ominously high. Exhausted by the July debates and lulled by Mr. Healey's reassurances,

in the strong doubts expressed by the team about the revised National Income Forecasts then just produced by the Treasury.

It was the ever-apparent presence of the IMF team in London which determined the course of Cabinet discussions. The first Treasury papers to the Cabinet revealed little about its own views of what might be desirable on purely internal grounds. But they did report the demands of the IMF and the requirements of the "confidence" factor for a drastic cut in the £11bn. projected PSBR (later revised down to £10.5bn.) by around £3bn. next year, including a clear IMF preference for some £1.5bn.-£2bn. of the reduction to come from direct public spending cuts.

The demands set off one of the most exhaustive rounds of Cabinet discussions on economic policy since the war. While Mr. Healey apparently told the Cabinet that the IMF would compromise, his Treasury officials brought a storm of protest and some barely concealed accusations that and spread the remainder into

the announcement of a British ap-

Party majority backs Fukuda

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Dec. 17. MR. TAKEO MIKI to-day formally announced his intention to resign as president of the Liberal Democratic Party, and hence as Prime Minister of Japan.

The resignation will not take effect until his successor as party leader has been chosen at a caucus of the LDP Parliamentary leadership, to be held next Thursday.

It is beginning to look, however, as if this caucus may turn out to be a formality rather than the showdown between intra-party factions forecast earlier.

By this evening four out of the five major LDP factions, making up a substantial majority of the party's Parliamentary members, had declared support for Mr. Takeo Fukuda, former Deputy Prime Minister and Mr. Miki's main rival, as the next leader of the party.

The Miki faction quite clearly does not like Mr. Fukuda, but recent statements by faction members have ceased to hint that the faction would "bolt" the party if Mr. Fukuda is elected leader.

The official Miki faction line is that it is the disunity which was dogged "will not refuse" to serve in the party during the past three Cabinet headed by Mr. Fukuda.

Railway signal modernisation

BRITISH RAIL has started work on a £4.3m. signalling scheme on Western Region's main London Inter-City line to the West of England.

Modern colour signals are being installed along 53 more miles and will be operated from Reading's modern signal box.

When the whole project is completed by the end of 1978, modern signalling will control 128 miles of the London to West of England route.

SUNDAY—National Savings and sterling certificates of deposit monthly progress report for (mid-Nov.). National Food Survey report on consumption (third quarter). Basic rates of wages November.

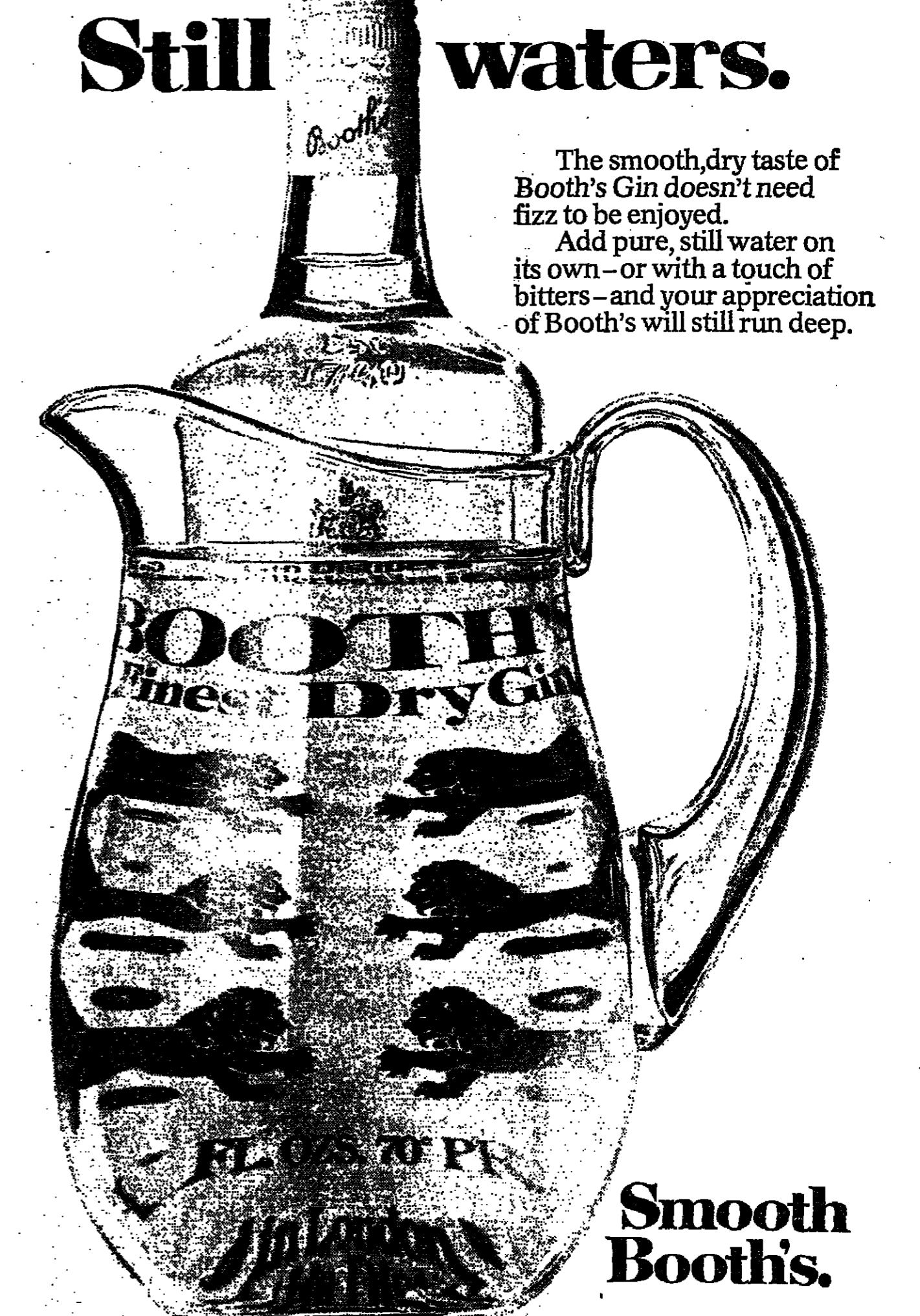
MONDAY—Special Bank for International Settlements meeting Paris with possible indication of moves towards a safety net for sterling balances. EEC Commission expected to decide on allocations of the voluntary sales quota for finished steel products.

TUESDAY—House of Commons adjourns for Christmas recess. General election in Singapore. Car Special meeting of National Union of Mineworkers executive expected to discuss early retirement ballot result. Unemployment and unfilled vacancies (Dec. prov.).

FRIDAY—Sales and orders in engineering industries (Sept.).

THURSDAY—House of Commons adjourns for Christmas recess. Car Ministers begin two-day meeting in Brussels. UK banks assets and liabilities and the money meets in Paris. House of Lords Quarterly analysis of bank stock (mid-Nov.). London dollar advances (mid-Nov.).

Economic Diary



LABOUR NEWS

strike threat lifted at Courtaulds

OUR LABOUR STAFF

I delegates representing high unemployment in the Merseyside area.

Mr. Peter Evans, the union's textiles national secretary, said yesterday: "While we are naturally disappointed we have not been able to make greater progress, we note that at Carnforth, Flint, North

In addition to the re-already announced by employers for some employees at Aintree plant, Liverpool.

Flint workforce will be seen Monday of the results meeting between Mr. Jack general secretary of the sort and General Workers' and senior Courtaulds

Jobs offer

Courtaulds' earlier offer of a limited number of jobs being available for the next year at its Aintree plant has been taken up by 280 employees and rejected by about 130, including the majority of shop stewards. The union said yesterday.

Talks still are being held with workers at Courtaulds' other plants affected by the closure and reorganisation programme. These are at Sunnybrook Mill, Rushdale, the Wolsey Factory, Grahame, Glenden Textiles, Carlisle and the Bossey factory. The unions still are to be unhappy about the terms at Dowles and Carnforth such substantial money. These plants employ 5,000, especially in view of about 900.

Deliverymen's protest ill hit bread stocks

BAKERS shortage will hit bread on Friday and Saturday on any other day."

Mr. Jackson Moore, general secretary of the United Road Transport Union, said the 1,500 k Hovis McDougall said deliverymen are protesting against a decision by Prive Secretary, Roy Hattersley, to abolish delivery to the shops the 25 per cent maximum discounting given by bakers to their customers such as big supermarket chains.

Mr. Hattersley appealed last night to bakery workers not to strike. "Precipitate action by those concerned in the industry can do nothing but harm to the industry and to the consumer upon whom ultimately it depends for its livelihood," he said.

Civil Servants' action

L STORES supplies to the entials with association entry of Defence's naval base employees.

This industrial action led the Ministry of Defence in Gibraltar to suspend the 300 association staff until they agreed to work normally. Since then, some union members have been arrested and fined for picketing the base.

Following the failure of talks held this week with senior Ministry officials in London, the association's national executive agreed to sanction the blocking of supplies to the base.

Rubery considers closing plant

ARTHUR SMITH, MIDLANDS CORRESPONDENT

URE OF THE Rubery Owen components plant at Darslaston appears to be active consideration by the

plant, with a total work force of around 2,700, has been beset by industrial unrest and strikes for the past nine months.

Several warnings that the viability of the company was being put at risk have been issued by Mr. John Owen, managing director.

Prentice's future is still in doubt

BY RUPERT CORNWELL

THE FUTURE of Mr. Reg Prentice, Overseas Development Minister, who defied party orders and abstained in Thursday night's devolution vote is still a matter for speculation, despite a spate of clarification yesterday.

The official line is that Mr. Prentice was "indisposed" and informed the Prime Minister and Labour Whips beforehand. As far as Downing Street is concerned, no disciplinary action will be taken and the incident is regarded as closed.

However, the nature of his illness is still a puzzle, especially in view of his dislike for the whole devolution exercise, and his equally well-known penchant for stating his opinions bluntly.

Surprisingly, the moderate Mr. Prentice appears to have chosen to make this gesture at a moment when he needs all the support he can muster to avoid being ousted by his own Left-wing constituency party at next year's general election.

The Prime Minister's firm rebuttal of calls for Mr. Healey to resign, and his full public support for this week's economic package has made it politically difficult for Mr. Callaghan to move Mr. Healey in the near future.

in Glasgow after attending a Scottish TUC conference on devolution, gave a pledge that the autumn referendum for Scotland and Wales would not cause "a minute's delay" in setting up the Assemblies.

Mr. James Milne, STUC general secretary, said that while the unions still had some minor reservations about the Bill, they believed it to be the best formula possible in the present circumstances.

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COMPANY ECONOMY

Wilkinson Match tops £6m. in first half

THE RECOVERY trend has continued at Wilkinson Match with a jump from £4,583,000 to £6,023,000 for the six months to September 30, 1978. It is expected that the general progress made during the period will be maintained in the second half, say the directors.

Earnings per £1 share increased to 7.77p (£3.83p) and the interim dividend is lifted by 10 per cent. to 3.5538p net (£0.7057p). Last year's total payment was £4,887.2p on profit of £9.3m—down from £11.5m, in 1973-74.

First-half sales advanced from £72.25m. to £80.05m. The major contributors to operating profit of £5.3m. (£2.53m.) were matches and lighters, up from £3.4m. to £5.47m., personal products of £1.85m. against £1.74m., and safety and protection up from £719,000 to £1m.

The Board states that the regional re-organisation announced earlier in the year for the consumer products sector of the company's business, is now becoming effective. The safety and protection division continues to expand its contribution to operating profit.

A regional analysis of turnover and profit shows U.K. sales £22.34m. (22.45m.) profit £2.1m. (£2.57m.); West Hemisphere £21.92m., £5.79m. (£5.12m.); Europe £10.85m. (£6.70m.); E.I.U.R. (£1.1m.); Africa and Middle East £10.73m. (£7.8m.); £1.33m. (£1.23m.); and Pacific £16.86m. (£7.37m.); £0.42m. See Lex

Initial looks to second half

PROFITS before tax down from £2.67m. to £2.31m. are reported by Initial Services for the half year ended September 30, 1978. However second half profits will benefit from the introduction of price increases of several group services and from a decline in non-recurring development charges during the year, and are therefore expected to exceed substantially, the £2.18m. for the corresponding period in the previous year, the directors say.

The net interim dividend is maintained at 1p per share. Last year's total was 3.83305p.

The first half results still reflect still rising costs and the slow rate of recovery in Britain, SEC and Australia, the directors report. Bathroom and kitchens fitting companies particularly, in England and in France have suffered from slack demand.

• comment

Recovery in all the overseas operations and first-time contributions from the two new acquisitions are the main factors in Siebe Gorman's first-half growth. Australia, which accounts for 10 per cent of business, is back in some 5 per cent. of total business. The key to future growth, however, is the new design for a turntable ladder for Merryweather fire engines. Orders are just being placed, so there will be a small contribution in the second half, but the main benefit will show next year. Final profits of £3.4m. look within reach even without further profit growth at the Swedish site, Gustavsson. So, with the share of 11.2p, the prospective p/e is 7 and the maximum dividend would yield 7 per cent.

Asprey row subsides

The Boardroom row at Asprey, which boiled up ahead of yesterday's annual meeting has temporarily subsided, but it remains as obscure as ever.

A resolution to re-elect Mr. N. L. Ariwallah was unanimously supported by the Board of directors and approved by a show of hands at the meeting.

However, Mr. Alan Grieve, a solicitor representing the Lichfield-based Tunstall Family Foundation, which holds 6 per cent. of the Asprey's equity, demanded a poll on the re-election, which he opposes; this poll is to be taken on January 14.

Quite why the Foundation, which is itself wreathed in mystery at the moment, should be opposed to Mr. Ariwallah, chairman of the Natwest group which owns Quarter books and has a 50 per cent stake with Mr. David

Williams Lea little changed at £336,412

Second half pre-tax profit of printers Williams Lea Group was £322,000, or 21.2p, a figure of £336,412, compared with £343,038, for the 52 weeks to September 28, 1978. Sales increased from £44.58m. to £55.75m.

Final dividend is 22.33p for a total of 65.63p (30.12p net); earnings per share are 55.31 (36).

Results due next week

Next week's seasonally short pre-Christmas list is headed by BOC International's final figures where year-end adjustments could upset pundits' forecasts. On Wednesday, Associated Dairies is expected to produce a "pint" update with its interim profit growth and Monday sees Flingsbury. More on our half-way recovery process and Keayser Ullmann quantifies its predicted "smallish" loss in the first half.

The last quarter is usually a weaker one for the European operations of BOC International and, although this is not the case for the other areas, there will be less to come from currency adjustments. However the group

continues to make other adjustments—such as additional depreciation on revalued assets—which could easily upset market expectations that the profit tax rates due on Wednesday will be 17.1m. to 17.6m. (14.74m.).

Following first quarter turnover and profit increases of around 40 per cent., the market is looking for good news on Wednesday in the shape of associated Dairies' final figures. The general view is that the full year will be between £16m. and £22m., though the strong cash balances could boost this further if interest rates stay high. In the first half forecasters have plumped for between £8m. and £18m. (15.87m.) based on continued growth at the super-

stores—where three new units have been opened—and maintained, or slightly higher, milk volume.

The market will be disappointed if textile manufacturers Flingsbury Morris do not make firm (£242,000) this year and it is hoping for around £11m. £500,000 produced in the first half. There is a good chance that IAL whose interim figures are due on Monday, will have got its share of the upturn in the market, and the top making which was beginning to show through in the second half. The new management structure should also have some effect though it is early days yet for the full benefit.

Market interest in merchant banks is at a low level these days, and although Keayser Ullmann started to give detailed interim figures last year (a pre-tax profit of £0.5m.), very few brokers are now following the results very closely. At the annual general meeting in September, the chairman told shareholders that there were "smallish" overall losses at the half way stage as losses at the Dennington property offshoot would not have been eliminated. The results are due on Monday.

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WALL STREET + OVERSEAS MARKETS

+ FOREIGN EXCHANGES

Off 2.2 despite oil price news

BY OUR WALL STREET CORRESPONDENT

FURTHER SLIGHT losses were recorded on Wall Street today, U.S. economic forecast for 1977 failing to sustain some healthy gains generated by early morning gains generated by the outcome of the Qatar oil-prize meeting.

After rising 3.07 to 986.37, the Dow Jones Industrial Average reacted to 978.06 for a net loss of 2.34 and reducing its gain on the week to 5.91. The NYSE All Common Index lost a further 21 cents to \$56.24, for a net loss of 9 cents on the week. Declines led advances by 700 to 610. The trading volume was little changed at 23.87m. (23.92m.).

The Stock Market opened sharply and broadly higher following news that Saudi Arabi-

Late in the session, a bullish agreement to build a Frs 2.5bn car plant in Romania.

Foreign shares generally rose, but Gold eased. Coppers were steady.

AMSTERDAM—Shares advanced virtually across the board.

Heineken recouped Fls 4 ahead of its forthcoming annual report.

ANEV finished little changed on the bid agreement for the rest of Neftco which advanced.

TOKYO—Firms fairly active, with investors encouraged by a lower-than-expected oil price increase. Volume 480m. (400m.) shares.

INSURANCES weakened.

BRUSSELS—Narrowly mixed after slow trading.

Oils gained modestly and Chemicals were relatively steady.

Chemicals and Utilities finished steady. Stocks were narrowly mixed while Non-Ferrous Metals were lower. Holdings eased.

U.S. stocks finished moderately higher. South African Golds gave ground.

GERMANY—Most leading stocks gained up to DM3 on lively demand from some Investment Funds.

Public Bonds mostly lost up to DM50 and the Regulating Authorities' bonds DM100 nominal.

Banks' 5.15% and 5.18% Bonds gave way 3.57 to 3.58. Western

U.S.A. stocks rose 0.06 to 104.29 and the United Arab Emirates would increase their oil prices by only 1 cent.

PARIS—Broadly higher in active trading.

Stocks declined slightly in moderate trading.

NATIONAL BANK rose 5 cents to \$A2.70 and Heraeus Warrants 5 cents to \$A1.15 but Australia's Guarantees saw 5 cents to \$A1.40 on its one-for-ten issue.

SWITZERLAND—Most Swiss

cents to \$A1.20, Pancontinental 40 cents to \$A2.50 and Central Norsemann

cents to \$A2.35.

Stocks declined slightly in moderate trading.

N.Y.S.E. ALL COMMON.

Rises and Falls Dec. 17

Issue Traded—1,957 U.S. 670

Down—799 Same—466

New High—113 New Low—5

1st/74

MONTRÉAL

Dec. 17 Dec. 16 Dec. 15 Dec. 14 Dec. 13 High Low High Low High Low

Industrial... 979.06 581.50 583.79 580.55 574.24 575.15 1014.79 1014.79 1014.79 1014.79 41.2

HomeBldgs... 91.96 92.02 91.97 91.82 91.81 91.76 92.02 92.02 92.02 92.02 55.6

Transport... 254.87 254.74 254.45 252.95 250.28 250.28 254.87 254.87 254.87 254.87 15.2

Utilities... 105.14 105.19 105.36 105.34 105.44 105.70 105.36 105.36 105.36 105.36 15.5

Trading vol... 23,876 23,828 28,000 25,150 24,934 25,934 — — — —

* Basis of index changed from July 1.

INDICES

NEW YORK—DOW JONES

Dec. 17 Dec. 16 Dec. 15 Dec. 14 Dec. 13 High Low High Low High Low

Industrial... 56.24 56.45 56.63 56.59 56.59 56.59 56.59 56.59 56.59 56.59 56.59

Montreal... 15.16 15.16 15.16 15.16 15.16 15.16 15.16 15.16 15.16 15.16 15.16

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THE SPLIT IN OPEC

Oil importers' concern is mingled with hope

NEW YORK: President Ford's decision as "irresponsible" in January, Oil experts in Tokyo point out that other suppliers, especially Indonesia, will exporting nations to raise oil prices by 10 per cent. He said he has a hard time raising prices by the prescribed 10 per cent. The action by most members of OPEC should remain Ameri- canas of the need to take urgent action to conserve and develop U.S. energy resources, writes Stewart Fleming.

He praised Saudi Arabia and the United Arab Emirates which raised their oil prices by 5 per cent, but added: "Unfortunately the majority of OPEC members, citing artificial economic justifications and ignoring the destructive consequences of their actions, chose to take no course which can only be termed irresponsible,"

Mr. Cyrus Vance, the man selected to be the next Secretary of State, said that the U.S. had made no commitment either to Saudi Arabia or the UAE for their moderate stand in the OPEC talks. He said that he and Mr. Carter would be sending a message to the two Governments expressing appreciation of their actions which he described as "courageous and statesmanlike."

TOKYO: Japanese oil price rises in 1976, a mixed reaction, pending a clearer picture of exactly what happened in Doha conference, writes Doug Kinnane. But the consensus view here is that Japan will have to suffer something less than a full 10 per cent increase in its oil bill in 1977, earlier forecast at just over \$2 billion.

The Ministry for International Trade and Industry (MITI) refused to comment on the price except to say that the Ministry has not yet made provision for refiners to increase oil product prices to help pay for the rise in crude oil prices. Refiners, however, have been making plans for months to raise oil product prices in the first quarter.

Japan depends for nearly 40 per cent of its crude oil on Saudi Arabia and the United Arab Emirates which said in Doha that they will not raise

prices by more than 5 per cent. Dickens. The government's economic spokesman, Dr. Armin Gruehwald, said that any increase in prices would severely hamper the potential of oil-importing countries at a moment when there were already "new elements of uncertainty" in the development of the international economy.

Dr. Detlev Rohwedder, State Secretary at the Economics Ministry in charge of Energy, described the outcome of the OPEC meeting as "a very interesting development," but would not answer a "considerable burden" on the economies of the Nine, and raised fresh uncertainties about the recovery.

The Commission pointed out that the bulk of the EEC's oil imports is supplied by those OPEC countries which have decided on a 10 per cent increase and that it would therefore benefit only partially from the import in 1977 of the same quantity as 1976 (110m. tonnes costing Fr.51bn.) and a stable F.D.P. parity, writes David Curry. This means that the bill will not be far from the Fr.55bn. price decisions, writes Adrian Imports.

Tanker community relief

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE OPEC decision on oil price rises were greeted with some relief by the international tanker community yesterday, because they do not appear to threaten the continuation of the partial recovery which oil shipping has enjoyed over the past six months.

There was general agreement among oil companies and tanker brokers that rates for shipments out of the Gulf would slip from their present levels in the New Year, largely because oil companies have been stocking over the past few months in anticipation of a price rise.

But it is felt that rises of up to 10 per cent will show very little overall improvement.

The total tonnage in lay-up, which has been reduced by around 20m. deadweight tons this year to 35m. dwt, is expected to remain fairly constant next year, indicating that the costly tanker surplus will show very little overall improvement.

Japan depends for nearly 40 per cent of its crude oil on Saudi Arabia and the United Arab Emirates which said in Doha that they will not raise

easily absorbed by the industrialised countries without damaging the level of demand for oil which has been higher this year than the 1973 peak.

This is taken to mean that next year tanker operators can look forward to rate levels which might just cover operating costs but which are unlikely to make any significant contribution to capital repayments.

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INTERNATIONAL COMPANY NEWS

Complaints against AT & T

BY STEWART FLEMING

FOR THE FIRST time in its two year anti-trust suit against the company which monopolises the U.S. telephone market, American Telephone and Telegraph, the U.S. Government Justice Department has filed specific complaints of what it regards as anti-competitive behaviour.

The Justice Department, in general terms, brought its suit two years ago, alleging monopolisation of the market for telecommunications service and related equipment.

In its filings with the court the government has claimed that AT and T has delayed in supplying certain types of communications connections for MCI tele-

communications, one of the company's first competitors in the private line communications market.

The Justice Department also alleges that AT and T attempted to restrict competition by announcing new prices and services long before they were available, to use the regulatory process to delay entry of competition, and engaged in unjustified delays in granting facilities to other common carrier telephone companies.

The Justice Department also alleges that AT and T tried to prevent the big electrical company, General Electric, from establishing its own private telecommunications network to link its plants around the country.

AT&T, in its defense, claims that the government has claimed that AT and T has delayed in supplying certain types of communications connections for MCI tele-

bogged down in legal procedures, and hundreds of thousands of documents which the judge has to evaluate.

Now, however, the government has cited specific examples of anti-competitive behaviour by the company which this year for the first time reported net profits of over \$1bn. in a three-month period.

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STOCK EXCHANGE REPORT

Strong close to volatile week in stock markets Index up 16.8 at 339.5—Oils active and strong

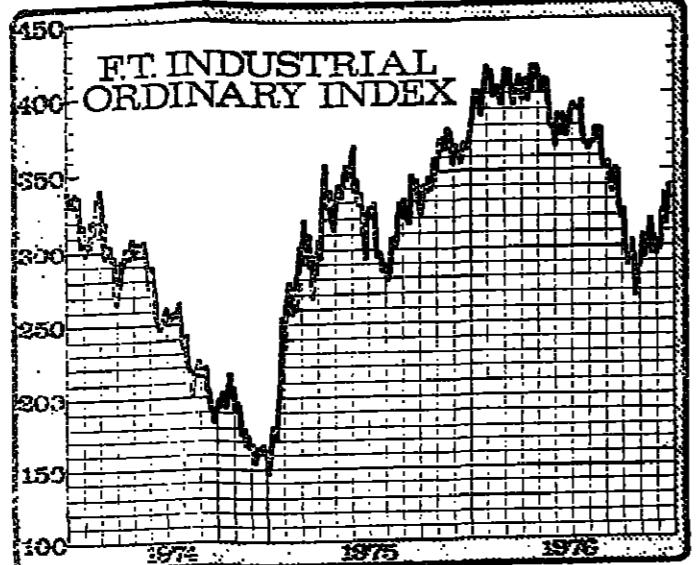
Account Dealing Dates
Option
First Declarant Last Account
Dealing's Date Dealing's Day
Nov. 29 Dec. 9 Dec. 21
Dec. 13 Dec. 30 Dec. 31 Jan. 12
Jan. 4 Jan. 13 Jan. 14 Jan. 25

* "Now time" dealings may take place
from 9.30 a.m. to business day earlier.

A week of widely erratic movements in stock markets ended with a strong advance in both British Funds and leading equities yesterday. Underlying sentiment was particularly helped by the Saudi Arabian decision to restrict its price increase in oil to 5 per cent. Encouraged by the former trend in sterling and hopes that the Government may reach agreement on a safety net scheme for sterling balances, the central meeting of Bankers in Edinburgh January 12. gilt-edged rebounded sharply after the previous day's sharp setback and final rises in quotations ranched to 11, thus erasing Thursday's falls. The Government Securities index rose 0.62 to 365.5, but showed a gain of only 0.32 on the week. Although expected, the 10 per cent reduction in Minimum Lending Rate provided an additional fillip.

Lending equities again moved ahead smartly in response to some further good buying. Profit-taking developed in the afternoon but, with the market acutely short of stock, this was easily absorbed and buyers gained the upper hand again in the last hour. Closing levels were the day's best. Closing the FT 30-share index jumped 16.8 to 339.5, or a weekly rise of 2.7, but showed a comparatively modest improvement of 0.4 on the week.

Secondary issues also made progress; of the 42 per cent of FT-quoted Industrials which changed, no less than 38 per cent showed rises. Sector-wise, Oils were strong and active, as re-



Wales advanced 8 to 458p, after 465p. Home Banks took Thursday's improvement a useful stage further in closing with gains. Insurances were notable only for after-hours excitement in Leslie and Godwin which attracted further speculative support on bid hopes and from a house close level of around 111p, the shares ended at 115p, up 6 on the day and 14 on the week.

Distillers were active and closed 9 up at 121p; confirmation of rumours that the company was about to raise the export prices of its standard brands of Scotch whisky added further impetus to earlier firmness. On Press comment on the first-half profits report, Hiram Walker improved 3 to 33p in sympathy. Distillers continue to make ground with Arthur Guinness up 7 more at 125p for an advance on the week of 11. Allied put on 3 to 58p and Bass Charrington gained 4 to 52p while Greene King closed 5 better at 150p following the interim results.

Buildings took a turn for the better despite the Budget cuts for the construction industry. Taylor Woodrow moved up 8 to 250p, while R. Costain, 127p, A.P. Cement, 133p, and Tarmac, 108p, all closed 5 higher. Gains of 3 were seen in Armitage Shanks, 41p, and London Brick, 23p. Paint issues had Leyland 21 better on a firm note and International 13 higher at 205p.

ICI attracted a reasonable business before closing 15 up at the day's best of 320p. Fisons rose 7 to 300p, while Albright and Wilson, 82p, and Reverte, 64p, put on 3p each. Overseas issues also made a positive contribution with Norsk Hydro, 54p, and A.G. Bayer, 149, both closing around 21 points higher. Akzo moved up 25 to 012p for a two-day gain of 87.

Overseas Banks stuck the lime-light in the sector yesterday when the surge in the investment currency premium rubbed off onto all, helped in changing the direction in the market. Buyers were not too enthusiastic but with the previous day's selling having run its course quotations responded readily and were checked only by the indication that the Government broker was 248p, while Bank of New South

profits forecast contained in the formal offer document from Hoogovens IJmuiden helped. Barlow Fell put on 6 to 215p, or 9 below the bid price. Still reflecting relief that Wednesday's Budget contained no increase in betting tax, Coral Leisure moved up 4 more to 107p. Far-eastern issues were boosted by the performance of the investment dollar premium. Jardine Matheson rose 12 to 335p and Whealock Mardon rallied 4 to 45p.

Motors and Distributors closed on a firm note, shrugging the threat of higher petrol costs and the implications of Rubery Owen Darlaston components plant.

North Sea oil enthusiasm strengthened for Thomson, which rose 12 to a peak for the year of 380p, while Associated Newspapers picked up 3 to 108p. Elsewhere in the sector, News International rallied 3 to 105p.

Oils buoyant

A persistent local demand in the wake of overnight U.S. buying pushed British Petroleum, which did not fall to 167p, up 30 to 758p. Other Oils, while overshadowed by Shell, also a leading contender for activity, gained 16 to 440p, while investment dollar influences took Royal Dutch up 21 points to 453p.

Secondary issues figured prominently, and Ultramax advanced 8 to 118p. Tricelair 5 to 115p, while LASMO/SCOTC 11 to 110p, and SCOTC 25p. SCOTC stocks are to be cancelled and the equivalent amounts of LASMO to be issued.

Oil Exploration improved 3 to 92p following yesterday's meeting at 29p. Battles of Yorkshire responded to the improved 12p profit with a gain of 2 to 38p, while Press comment on the intrepreneurial report put Unigate 12 better at 42p. FMC, still reflecting trading news, moved up 5 to 46p for a rise on the week of 15. British Sugar were again popular, rising 10 to 270p for a two-day gain of 23.

Ladbroke, still helped by the omission of any changes in the betting levy, moved up 4 to 97p for a two-day advance of 9. Responding to the OPEC decision to raise oil prices by 5 per cent and not 13 per cent as first feared, the Miscellaneous industrial leaders took Thursday's initial substantial stage. Balfour Beatty, 380p, continued its second consecutive improvement of 12 and Unilever were a similar amount better at 416p. Glaxo Rose 11 to 395p and Bowater, 170p, and Boots, 114p, added 7 and 5 respectively.

Leading Electricals closed with some substantial gains following

Having improved to 85p in front of the interim statement, Cavendish reacted after the news, which came up to market expectations and closed only 2 better on balance at 89p. Battles of Yorkshire responded to the improved 12p profit with a gain of 2 to 38p, while Press comment on the intrepreneurial report put Unigate 12 better at 42p. FMC, still reflecting trading news, moved up 5 to 46p for a rise on the week of 15. British Sugar were again popular, rising 10 to 270p for a two-day gain of 23.

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Widespread gains were recorded in Investment Trusts. Dollar amount better at 416p. Glaxo Rose 11 to 395p and Bowater, 170p, and Boots, 114p, added 7 and 5 respectively.

Elsewhere, the Rolmex sub-shares, 472p.

FINANCIAL TIMES STOCK INDICES

	Dec. 17	Dec. 16	Dec. 15	Dec. 14	Dec. 13
Government Secs	59.05	58.42	58.87	59.01	58.75
Fixed Interest	58.21	58.85	59.00	58.82	58.01
Industrial Ordinary	339.5	322.7	313.8	333.7	330.1
Gold Mines	116.9	120.9	119.5	122.6	127.4
Ord. Div. Yield	6.35	6.74	6.90	6.54	6.82
P/B Ratio (x 10)	20.02	21.17	21.69	21.06	20.58
P/E Ratio (x 10)	7.81	6.91	6.75	7.15	7.04
Dailings marked	3.970	4.515	4.925	5.770	5.614
Equity turnover (m)	65.85	54.52	57.86	71.08	53.61
Equity bargaining	10,453	9,131	12,524	14,813	12,120

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Index 61.346 62.02

* Based on 52 sec. com. comp. ex. 1 NH=7.24

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